

CANADIAN GOLDALE CORPORATION LIMITED

NOTICE OF GENERAL MEETING OF SHAREHOLDERS

To the Shareholders:

TAKE NOTICE that a General Meeting of the Shareholders of CANADIAN GOLDALE CORPORATION LIMITED will be held in the Windsor Room of the King Edward Sheraton Hotel, 37 King Street East, Toronto, Ontario, on Thursday, the 26th day of October, 1967, at the hour of 11 o'clock in the forenoon, Daylight Saving Time, for the purpose of considering and, if deemed advisable, to approve, ratify, sanction and confirm an Agreement dated the 7th day of September, 1967, between the Company and Peel-Elder Limited, the summary of which is set forth in the Information Circular enclosed herewith, and for the transaction of such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

A copy of the said Agreement dated the 7th day of September, 1967, between the Company and Peel-Elder Limited may be inspected at the offices of the Company's solicitors, Messrs. Holden, Murdoch, Walton, Finlay, Robinson, Pepall & Harvey, Suite 2400 - 44 King St. West, Toronto 1, Ontario, at any time during normal business hours prior to the date of the Meeting.

Shareholders who are unable to attend the Meeting are kindly requested to specify on the enclosed Proxy the manner in which the shares represented thereby are to be voted, sign and return same to the undersigned in the return envelope enclosed herewith.

DATED at Toronto this 3rd day of October, 1967.

By Order of the Board,

P. C. FINLAY,
Secretary.

CANADIAN GOLDALE CORPORATION LIMITED

INFORMATION CIRCULAR

The enclosed Proxy is being solicited on behalf of the Management of Canadian Goldale Corporation Limited (hereinafter sometimes called the "Company"), and the persons mentioned in the Form of Proxy have been designated to represent the Management at the General Meeting of Shareholders to be held on the 26th day of October, 1967, and at any adjournment or adjournments thereof.

The cost of solicitation will be borne by the Company. No remuneration will be paid to any person for soliciting proxies, but the Company may, upon request, pay to certain brokerage firms, fiduciaries and other persons holding shares in their names for others, the charges entailed for sending out proxies to persons for whom they hold shares.

PROVISIONS RELATING TO VOTING

Shareholders of record at the time of the holding of the Meeting will be entitled to one vote for each share held. The Company has outstanding 335,680 shares of its capital stock. A Shareholder giving a proxy has power to revoke it at any time before it is exercised.

MATTERS COMING BEFORE THE MEETING

Shareholders will be asked at the General Meeting to consider and, if deemed advisable, to approve, ratify, sanction and confirm an Agreement dated the 7th day of September, 1967 between the Company and Peel-Elder Limited.

Pursuant to the said Agreement dated the 7th day of September, 1967, between Peel-Elder Limited ("Peel-Elder") and Canadian Goldale Corporation Limited ("Canadian Goldale"), Canadian Goldale agreed to sell to Peel-Elder 3,750 5% non-cumulative, non-voting, redeemable Class A preference shares with a par value of \$1.00 each, and 670 common shares without nominal or par value, of Normco Limited, for the sum of \$841,247.00, and Peel-Elder agreed to issue to Canadian Goldale and Canadian Goldale agreed to accept 76,477 fully paid and non-assessable treasury shares of Peel-Elder in payment therefor. The Agreement further provides that Peel-Elder will complete and file a Filing Statement with the Toronto Stock Exchange and comply with the filing requirements of the American Stock Exchange, and Canadian Goldale will complete and file a Filing Statement with the Toronto Stock Exchange, in connection with the aforesaid transaction. As soon as possible after the Filing Statements have been accepted for filing by the Toronto Stock Exchange, and Peel-Elder has complied with the filing requirements of the American Stock Exchange, Peel-Elder and Canadian Goldale shall call General Meetings of Shareholders in order to approve, ratify, sanction and confirm the Agreement. Unless the Agreement is approved, ratified, sanctioned and confirmed on or before November 7th, 1967, by the Shareholders of Peel-Elder and Canadian Goldale at General Meetings of Shareholders of the said Companies called for that purpose, the Agreement shall ipso facto be terminated.

Normco Limited is a private company incorporated under the laws of the Province of Ontario, having its head office in the Municipality of Metropolitan Toronto, having an authorized capital of 85,000 5% non-cumulative, non-voting, redeemable Class A preference shares with a par value of \$1.00 each, 5,000 5% non-cumulative redeemable Class B preference shares with a par value of \$1.00 each, and 10,000 common shares without nominal or par value, the aggregate consideration for the issuance of which common shares

shall not exceed \$610,000.00, of which, 7,500 of the said Class A preference shares and 1,170 of the said common shares are now issued and outstanding.

As set forth above, Canadian Goldale presently owns 3,750 of the said issued and outstanding Class A preference shares and 670 of the said issued and outstanding common shares of Normco Limited, and the remaining 3,750 of the said issued and outstanding Class A preference shares and the remaining 500 of the said issued and outstanding common shares of Normco Limited are owned by Peel Village Developments Co. Limited, a wholly-owned subsidiary of Peel-Elder. In the event that the aforesaid Agreement takes effect, Peel-Elder and its wholly-owned subsidiary, Peel Village Developments Co. Limited, will then be the owners of all the issued and outstanding shares of Normco Limited.

On April 14th, 1967, Canadian Goldale acquired 500 common shares and 3,750 Class A preference shares of the capital stock of Normco Limited for \$180,000.00, and on August 24th, 1967, acquired a further 170 common shares of Normco Limited for \$250,000.00. The total purchase price, therefore, for the 3,750 Class A preference shares and 670 common shares was \$430,000.00.

Normco Limited owns certain lands in the Borough of North York, in the County of York, Province of Ontario, which lands are bounded on the north by the Macdonald-Cartier Freeway, on the east by the Don Valley Parkway, and the westerly part of the property is bisected by Don Mills Road. Normco Limited placed a plan of subdivision on 44.84 acres, under which plan 21.457 acres are zoned for the erection of 1,384 apartment suites in 5 high-rise towers, 1.317 acres are zoned for 7 single family dwellings, 4.655 acres for private lands, and 17.055 acres were dedicated to the Borough of North York for public park lands and public streets. Graydon Hall which is located on the said 4.655 acres, will provide the nucleus of a club and recreational facilities for the apartment buildings. In addition to the said lands covered by the plan of subdivision, the Company owns the adjoining 14.75 acres which are zoned for industrial purposes.

Attached hereto as Schedule "A" is a summary of an Appraisal of the market value of the lands owned by Normco Limited, prepared by Chaffe, MacKenzie & Ray Limited, 372 Bay Street, Toronto, Ontario, independent professional real estate appraisers under date of September 18th, 1967. Also attached as Schedule "B" are the audited Financial Statements of Normco Limited as of August 31st, 1967, based on the book value of the lands owned by Normco Limited, and attached as Schedule "C" are the pro forma Financial Statements of Normco Limited as at August 31st, 1967, after giving effect to the Appraisal of the current market value of the lands as prepared by Chaffe, MacKenzie & Ray Limited, making provision for corporation income taxes which may be payable on realization of the excess of appraised value of the realty over cost and provision for the payment of 20% interest of Combo Construction Limited in the amount of \$250,000.00.

INTERLOCKING INTERESTS OF DIRECTORS AND OFFICERS

The following table discloses the interest of each Director and Officer of Canadian Goldale Corporation Limited and Peel-Elder Limited in these companies as of the 29th day of September, 1967:—

	Canadian Goldale Corporation Limited		Peel-Elder Limited	
	Position with Company	Number of shares held	Position with Company	Number of shares held
Kenneth A. Roberts	President and Director	10,192	President and Director	27,500
Charles F. Watson	Vice-President and Director	700		
A. H. Honsberger	Director	500	Vice-President and Director	2,100
Percy Claire Finlay	Secretary-Treasurer and Director	4,853	Secretary-Treasurer and Director	50
W. H. Gilleland	Director	2,200	Director	135
H. Hunter			Director	1

GENERAL

It is intended to vote the proxy in favour of confirming the Agreement referred to in the Notice calling the Meeting unless otherwise specified by the shareholder completing same, in which event the proxy will be voted as specified. Any proxy in which no direction is specified will be voted in favour of the Agreement.

Financial Statements of the Company are omitted from this Information Circular because they are not deemed material to the exercise of prudent judgment with respect to the said agreement.

The Agreement to be submitted to the Meeting must be approved, ratified, sanctioned and confirmed by at least a majority of the votes cast at the Meeting.

The Management knows of no matters to come before the said General Meeting of Shareholders other than the confirmation, of the said Agreement. However, if any other matters which are not known to the Management should properly come before the Meeting, the accompanying Proxy will be voted on such matters in accordance with the best judgment of the person or persons holding the Proxy.

By Order of the Board,

P. C. FINLAY,
Secretary.

Toronto, Ontario,
3rd October, 1967.

SCHEDULE "A"

CHAFFE, MACKENZIE & RAY, LIMITED

Valuators, Engineers and Property Managers

*Telephone: 368-2316
372 Bay Street
Toronto 1, Canada*

September 18, 1967.

Normco Limited,
Suite 906,
11 Adelaide Street West,
Toronto, Ontario.

Dear Sir:

In accordance with your request we have made an appraisal of the market value of certain lands in the Borough of North York being as follows:

1. A parcel of high rise apartment land comprising approximately 21.457 acres zoned for the erection of 1384 apartment suites.
2. A parcel of 1.317 acres of land zoned for seven single family residential lots.
3. A parcel of 4.655 acres private open space land known as Graydon Hall.
4. A parcel of about 14.75 acres zoned for industrial purposes.

Market Value we define as the highest price which the property would bring if exposed for sale in the open market by a willing vendor allowing a reasonable time to find a willing purchaser neither vendor or purchaser acting under compulsion, both having full knowledge of all the uses and purposes to which the property is adapted and for which it is capable of being used and both exercising intelligent judgment.

This report contains nine pages and three exhibits.

We find the value of the subject lands as of the 18th day of September 1967 to be as follows:—

1.	High rise apartment lands	\$3,785,000.
2.	Single family residential lands	100,000.
3.	Graydon Hall Property	250,000.
4.	Industrial Land	530,000.
		<hr/>
		\$4,665,000.

Yours very truly,

CHAFFE, MACKENZIE & RAY LIMITED.

L. W. RAY,
P.Eng., M.A.I.

NORMCO LIMITED

ASSETS

Cash in Bank		\$ 23,784
Accounts Receivable		784,842
Investments, at cost (Note 1) —		
Government of Canada Bonds (Par Value \$155,000)		154,070
		<u>\$ 962,696</u>
Realty Held for Future Development — at cost (Note 2)		
Land	\$1,513,692	
Development Expense	<u>826,190</u>	2,339,882
Fixed — at cost		
Office Furniture		<u>206</u>
		<u>\$3,302,784</u>

Current			
Bank of Montreal — Loan (Note 3)		\$	600,000
Accounts Payable and Accrued Charges			98,481
Provision for Completion of Land Services			519,784
Deposit (Note 4)			20,000
Mortgage Payable			65,000
Corporation Income Taxes — Current	\$	12,000	
— Deferred		214,000	226,000
			<u>\$1,529,265</u>
Long-Term			
Mortgage — 6%, due 1969	\$	809,000	
Current Portion		65,000	
	\$	744,000	
Loan — 12%, Peel Village Developments Co. Limited		582,937	1,326,937
Shareholders' Equity			
Capital			
Authorized:			
85,000 5%, Non-voting, Non-cumulative Class A Preference Shares, redeemable at Par Value of \$1	\$	85,000	
5,000 5%, Non-cumulative Class B Preference Shares, redeemable at Par Value of \$1		5,000	
10,000 Common Shares of No Par Value — aggregate consideration not to exceed \$610,000			
Issued and Fully Paid:			
7,500 Class A Preference Shares	\$	7,500	
1,170 Common Shares		204,013	
	\$	211,513	
Earned Surplus			
Balance 1st July 1967	\$	250,395	
Loss for Period		15,327	235,068
			<u>446,581</u>
Contingent Liability (Note 5)			
			<u>\$3,302,783</u>

DUNWOODY & COMPANY,
Chartered Accountants

NORMCO LIMITED

STATEMENT OF OPERATIONS For Two Months Ended 31st August 1967

Interest Earned		\$ 7,664
Expenses		
General	\$ 945	
Interest	25,319	
Professional Fees	7,000	
Office Expense	560	
Realty Taxes	5,167	38,991
Loss, before Provision for Corporation Income Taxes		\$ 31,327
Provision for Corporation Income Taxes		16,000
Loss for Period		<u>\$ 15,327</u>

AUDITORS' REPORT

To the Shareholders of
NORMCO LIMITED.

We have examined the Balance Sheet of NORMCO LIMITED as at 31st August 1967 and the Statement of Operations for the two months ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying Financial Statements present fairly the financial position of the Company as at 31st August 1967 and the results of its operations for the period ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

DUNWOODY & COMPANY,
Chartered Accountants.

28th September 1967.

NORMCO LIMITED

NOTES TO FINANCIAL STATEMENTS

As at 31st August 1967

1. Investments

Investments are lodged with the Borough of North York as security under a subdivision agreement.

2. Realty Held For Future Development

Realty is registered in the names of Normco Limited and Combo Construction Limited, a private Ontario company.

By an agreement dated 21st October 1964, Combo Construction has a twenty percent interest in the realty. This interest will be released upon payment of specific amounts not exceeding \$250,000.

The Company has received all approvals necessary to permit development of 44.5 acres and under the terms of this agreement has covenanted to maintain a community recreation club.

3. Bank Loan

The bank loan is secured by an assignment of accounts receivable.

4. Deposit

By agreement dated 16th June 1967, the Company has agreed to sell one apartment site for \$750,000, of which \$375,000 will be secured by mortgage to Normco Limited and the balance of \$355,000 will be paid upon closing. This agreement is conditional upon the Borough of North York issuing a building permit to the purchaser prior to 13th October 1967.

5. Contingent Liability

The Company is disputing a claim of \$53,160 for architectural services.

SCHEDULE "C"

NORMCO LIMITED

PRO FORMA BALANCE SHEET AS AT 31st AUGUST 1967

ASSETS

Current

Cash in Bank	\$ 23,784
Accounts Receivable	784,842
Investments — at cost (Note 1) — Government of Canada Bonds (Par Value \$155,000)	154,070
	<u>\$ 962,696</u>
Realty Held for Future Development — at appraised value (Note 2)	4,665,000

Fixed

Office Furniture	206
	<u><u>\$5,627,902</u></u>

LIABILITIES

Current

Bank Loan (Note 3)	\$ 600,000
Accounts Payable and Accrued Charges	98,481
Provision for Completion of Land Services	519,784
Deposit (Note 4)	20,000
Mortgage Payable	65,000
Corporation Income Taxes — Current	\$ 12,000
— Deferred	214,000
	<u>226,000</u>
	<u>\$1,529,265</u>

Deferred

Estimated Corporation Income Taxes on Appraisal Surplus	\$1,074,000
Combo Construction Limited	250,000
	<u>1,324,000</u>

Long-Term

Mortgage, 6%, due 1969	\$ 809,000
Current portion	65,000
	<u>\$ 744,000</u>
Loan, 12%, Peel Village Developments Co. Limited	582,937
	<u>1,326,937</u>

Shareholders' Equity

Capital

Issued and Fully Paid:

7,500 Class "A" Preference Shares	\$ 7,500
1,170 Common Shares	204,013
	<u>\$ 211,513</u>

Surplus

Appraisal

Excess of Appraised Value of Realty over Book Value	\$2,325,119
Less:	
Provision for Corporation Income Taxes	\$1,074,000
Combo Construction Limited (Note 2)	250,000
	<u>\$1,324,000</u>
	1,001,119

Earned	235,068
	<u>1,447,700</u>
	<u><u>\$5,627,902</u></u>

NORMCO LIMITED

NOTES TO PRO FORMA FINANCIAL STATEMENTS

As at 31st August 1967

1. Investments

Investments are lodged with the Borough of North York as security under a registered subdivision agreement.

2. Realty Held For Future Development

Realty is registered in the names of Normco Limited and Combo Construction Limited, a private Ontario company.

The company has received all approvals necessary to permit development of 44.5 acres and under the terms of this agreement has covenanted to maintain a community recreation club.

3. Bank Loan

The bank loan is secured by an assignment of accounts receivable.

4. Deposit

By agreement dated 16th June 1967, the company has agreed to sell one apartment site for \$750,000 of which \$375,000 will be secured by mortgage to Normco Limited and the balance of \$355,000 will be paid upon closing. This agreement is conditional upon the Borough of North York issuing a building permit to the purchaser prior to 13th October 1967.

5. Contingent Liability

The company is disputing a claim of \$53,160 for architectural services.

AUDITORS' REPORT

This Pro Forma Balance Sheet has been prepared from the audited financial statements as at 31st August 1967 after giving effect to the following adjustments:

1. Realty held for future development has been included at appraised market value as set out in a report prepared by Chaffe, MacKenzie & Ray Limited, dated 18th September 1967.
2. Provision has been made for Corporation Income Taxes which may become payable upon realization of the excess of appraised value of the realty over cost.
3. Provision has been made for payment of the twenty percent interest of Combo Construction Limited in the amount of \$250,000.

In our opinion, this Pro Forma Balance Sheet presents fairly the financial position of the Company as at 31st August 1967 after giving effect to adjustments 1 to 3 set out above.

TORONTO, Ontario
28th September 1967.

DUNWOODY & COMPANY,
Chartered Accountants.

CANADIAN GOLDALE CORPORATION LIMITED

NOTICE OF ANNUAL AND GENERAL MEETING OF SHAREHOLDERS

To the Shareholders:

TAKE NOTICE that an Annual and General Meeting of the Shareholders of CANADIAN GOLDALE CORPORATION LIMITED will be held in the York Room of the King Edward Sheraton Hotel, 37 King Street East, Toronto, Ontario, on Friday, the 30th day of May, 1969, at the hour of 11:00 o'clock in the forenoon, Daylight Saving Time, for the following purposes:—

1. To receive the Directors' Report and Financial Statements.
2. To elect Directors for the ensuing year.
3. To appoint an Auditor or Auditors.
4. To consider and, if deemed advisable, to confirm with or without variation as a special resolution of the Company, the resolution entitled "Special Resolution Number 3" passed by the Directors on the 15th day of April, 1969, authorizing an Application to the Lieutenant-Governor of the Province of Ontario for Supplementary Letters Patent, particulars of which are set forth in the enclosed Information Circular.
5. To transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Each Shareholder who will not be able to be personally present is respectfully requested to date, sign and return the enclosed Proxy to the undersigned.

A copy of the Directors' Report and Financial Statements to be submitted to such Meeting is forwarded herewith.

DATED the 30th day of April, 1969.

By Order of the Board,

P. C. FINLAY,

Secretary.

CANADIAN GOLDALE CORPORATION LIMITED

INFORMATION CIRCULAR

This Information Circular is furnished in connection with the solicitation of proxies by the Management of the Company for use at the Annual and General Meeting of the Shareholders of the Company to be held on Friday, the 30th day of May, 1969, and at any adjournment or adjournments thereof.

The cost of solicitation will be borne by the Company. The solicitation will be primarily by mail, but proxies may also be solicited by regular employees of the Company. No remuneration will be paid to any person for soliciting proxies, but the Company may, upon request, pay to certain brokerage firms, fiduciaries or other persons holding shares in their names for others, the charges entailed for sending out proxies to the persons for whom they hold shares.

PROVISIONS RELATING TO VOTING

Shareholders of record at the time of the holding of the Meeting will be entitled to one vote for each share held. The Company has outstanding 565,180 shares of its capital stock. A Shareholder who has given a proxy may revoke it at any time prior to its use either — (a) by signing a proxy bearing a later date and delivering it to the Secretary of the Company, or (b) by signing written notice of revocation and delivering it to the Secretary of the Company or the Chairman of the Meeting.

On any poll, the persons named in the form of proxy will vote the shares in respect of which they are appointed in accordance with the directions contained in the proxy. In the absence of any directions, the proxies given will be voted, on a poll, for the election of directors, for the confirmation of Special Resolution Number 3 and for the appointment of auditors.

ELECTION OF DIRECTORS

At the Annual Meeting a Board of five Directors is to be elected, to hold office until the next Annual Meeting of Shareholders or until their successors are elected, and it is the intention of the persons named in the enclosed form of proxy to vote such proxy for the election of the following persons, being the present Directors of the Company, who are standing for re-election.

The Management does not contemplate that any nominee will be unable to serve as a Director for any reason, but should this be the case, the persons named in the accompanying form of proxy reserve the right to vote for another person of their choice in his place and stead.

The names of all the Directors, their principal occupation or employment, the years in which they became Directors of the Company and the approximate number of shares of the Company beneficially owned by them, directly or indirectly, as of the 30th day of April, 1969, are as follows:

<u>Name</u>	<u>Position with Company</u>	<u>Present Principal Occupation</u>	<u>Director since</u>	<u>Number of shares beneficially held</u>
Kenneth A. Roberts	President and Director	Physician and Executive, Toronto.	28 October 1960	30,492
Charles F. Watson	Vice-President and Director	President of Peel Village Developments Co. Limited, Brampton.	25 June 1963	11,000
Percy Claire Finlay	Secretary-Treasurer and Director	Partner in the legal firm of Holden, Murdoch, Walton, Finlay, Robinson, Pepall & Harvey, Toronto.	29 May 1941	4,853

<u>Name</u>	<u>Position with Company</u>	<u>Present Principal Occupation</u>	<u>Director since</u>	<u>Number of shares beneficially held</u>
A. H. Honsberger	Director	Mining Engineer, Toronto.	11 May 1967	500
S. L. Jaske	Director	Contract Manager of Royal-metal Corporation Limited, Toronto. Manufacturers of office furniture.	31 January 1968	400

Each of the above-named persons has held the principal occupation indicated for at least five years.

In the event that Special Resolution Number 3, referred to in this Information Circular, is confirmed by the Shareholders at the General Meeting to be held on May 30th, 1969, and in the event that the requisite number of shares of Aetna Investment Corporation Limited are tendered pursuant to the offering, particulars of which are set forth in this Information Circular, it is the intention of the Board of Directors of the Company to invite Mark Tanz, President of Aetna Investment Corporation Limited, and Burton Winberg, a Director of Aetna Investment Corporation Limited, to join the Board of Directors of the Company, at which time two of the above nominees for Directors have agreed to resign in order to create the necessary vacancies. It is also proposed to elect Mr. Tanz as a Vice-President of the Company.

REMUNERATION OF MANAGEMENT AND OTHERS

(a) No direct remuneration was paid or payable by the Company or any of its subsidiaries to any director nor to the President, Vice-President or Secretary-Treasurer of the Company during the year 1968. The aggregate direct remuneration paid or payable by the Company and its subsidiary whose financial statements are consolidated with those of the Company to the five highest paid employees of the Company during the year 1968 was \$19,794.74.

(b) The estimated aggregate costs to the Company and its subsidiary during the year 1968 of all compensation and retirement benefits proposed to be paid to its Directors and senior Officers under existing plans on retirement at normal retirement age was \$1,500.00.

(c) On April 19, 1968, the Company granted to K. A. Roberts, President, an option to purchase 20,000 shares, and to C. F. Watson, Vice-President, an option to purchase 10,000 shares of the Company's capital stock at the price of \$10.50 per share, exercisable in each case on or before April 19, 1973. The price range of the shares on the Toronto Stock Exchange in the thirty-day period preceding the grant of the said options was \$9.75 — \$11.50.

On April 9, 1969, K. A. Roberts purchased 20,000 shares and C. F. Watson purchased 10,000 shares at \$10.50 per share, pursuant to the said stock options granted to them. The price range on the Toronto Stock Exchange in the thirty-day period preceding the exercise of the said options was \$27.00 — \$30.75.

OPTION TO PURCHASE SECURITIES

Pursuant to an Agreement dated January 16, 1969, the Company granted to John L. Bitove, General Manager of Goldale Inns and Restaurants Limited, a subsidiary company, the right or option to purchase a total of 10,000 common shares of the Company at \$32.50 per share, exercisable at any time and from time to time as specified in the said option, on or before January 16, 1974. The price range of the shares on the Toronto Stock Exchange in the thirty-day period preceding the grant of the said stock option was \$30.00 — \$33.50.

APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the appointment of the firm of Collins, Love, Eddis, Valiquette & Co., Chartered Accountants, Toronto, as Auditors of the Company, to hold office until the next Annual Meeting of Shareholders. The said firm is the national firm of which Eddis & Associates are partners. Eddis & Associates have been the Auditors of the Company for more than five years.

PROPOSED SUBDIVISION OF ISSUED AND UNISSUED SHARES OF THE COMPANY

The Shareholders of the Company will be asked to consider and, if deemed advisable, to confirm with or without variation the resolution entitled "Special Resolution Number 3" passed by the Directors on the 15th day of April, 1969, which reads as follows:—

"RESOLVED as a resolution of the Directors for confirmation by the Shareholders as a special resolution of the Company as follows:

1. The Company be and it is hereby authorized to make application to the Lieutenant Governor of the Province of Ontario for Supplementary Letters Patent
 - (a) Sub-dividing the 565,180 issued shares of the Company without par value into 1,695,540 issued shares without par value on the basis of 3 shares for every 1 share issued and outstanding;
 - (b) Sub-dividing the 434,820 unissued shares of the Company without par value into 5,804,460 unissued shares without par value;
 - (c) Declaring the authorized capital of the Company to be divided into 7,500,000 shares without par value provided that such shares shall not be issued for a consideration exceeding in amount or value the sum of \$30,000,000 or such greater amount as the Board of Directors of the Company may deem expedient on payment to the Treasurer of Ontario of the fees payable on such greater amount and the issuance by the Provincial Secretary of a certificate of such payment.
2. The Directors and Officers be and they are hereby authorized and directed to do, sign and execute, all things, deeds and documents necessary or desirable for the due carrying out of the foregoing."

In order to become effective, the said Resolution must be confirmed by two-thirds of the votes cast at the General Meeting on the 30th day of May, 1969.

On April 15th, 1969, your Board of Directors approved a take-over bid to be made to all the shareholders (except those resident in U.S.A.) of Aetna Investment Corporation Limited (Aetna), whereby, subject to the confirmation of Special Resolution Number 3 referred to above and the issue of Supplementary Letters Patent, your Company will offer to purchase all of the issued and outstanding common shares of the capital stock of Aetna with a par value of 50¢ each (Common Shares), in consideration of the issue and allotment of one-half a share of Canadian Goldale Corporation Limited (after subdivisions referred to above) for each common share of Aetna. The Offer to the shareholders of Aetna will be mailed on May 14, 1969. It is a condition (amongst others) of such Offer that the shareholders of your Company shall confirm Special Resolution Number 3 aforementioned, and that, pursuant thereto, Supplementary Letters Patent shall issue prior to June 2nd, 1969.

Your Company has been advised that each of the Directors of Aetna has agreed to accept the Offer in respect of the Common Shares of Aetna owned by him.

The following information concerning the affairs of Aetna has been furnished by the Management of Aetna.

Aetna was incorporated by Certificate of Incorporation under the Companies Act of British Columbia on November 16, 1933, under the name Sheep Creek Mines Limited which was changed to the present name in 1965. It now operates principally as a holding and investment Company. Aetna's authorized capital is \$1,750,000 divided into 3,500,000 common shares with a par value of 50 cents each, of which 2,492,000 shares are issued and outstanding as of April 30th, 1969. 75,000 common shares have been set aside for an employee stock option plan, pursuant to which stock options may be granted to full-time employees of Aetna at a purchase price within a discount permitted. No options have been granted in connection with these shares.

Aetna's real estate development programme consists of the following projects:

- (a) the construction of approximately 70 town houses in the Borough of Etobicoke, in the County of York, Ontario;

- (b) a 50% interest in the construction of approximately 120 town houses in the Town of Burlington, in the County of Halton, Ontario;
- (c) a 40% interest in the construction, subject to required re-zoning, of a 540 suite apartment project in the Borough of Scarborough, County of York, Ontario;
- (d) the construction of approximately 350 town houses in the Town of Mississauga, County of Peel, Ontario.

Aetna has no development plans for mining.

By Agreement dated February 5, 1969, Aetna agreed to purchase 250 common shares of Millmink Developments Limited (Millmink) for \$2,000,000 payable \$50,000 as a deposit, \$450,000 on closing, and \$1,500,000 by secured promissory notes. By Agreement dated February 5, 1969, Aetna agreed to purchase a further 750 common shares of Millmink for \$6,000,000 payable \$150,000 as a deposit, \$1,350,000 on closing and \$4,500,000 by promissory notes. Upon completion of said purchases Aetna will own beneficially all of the issued and outstanding shares of Millmink. Millmink's assets include:

- (a) The Forest Hill Golf and Country Club, consisting of approximately 62 acres of land located in the Borough of North York, County of York, Ontario, now zoned for development of 2,600 apartment suites;
- (b) The Albion Mall Shopping Centre located on approximately 29 acres of land in the Borough of Etobicoke, County of York, Ontario, consisting of about 164,000 square feet of stores; a further 110,000 square feet of commercial space may be constructed.

Aetna owns 163,136 common shares in the capital stock of Commonwealth Savings & Loan Corporation, or approximately 41.8% of its issued and outstanding equity shares. This investment has a book value of \$2,345,456.25 and a market value as at April 30, 1969, of \$2,447,040.00.

The latest published interim and pro forma financial statements of Aetna, dated January 31, 1969, are included in this Information Circular. The Management of your Company does not have any information that indicates any material change in the financial position or prospects of Aetna since January 31, 1969.

In order to obtain additional working capital for your Company, it is proposed that, within the next two months, your Company will create and issue \$5,000,000 in principal amount of unsecured, convertible debentures bearing interest at the rate of 8% per annum and maturing in 10 years, which debentures will be sold to certain exempt purchasers under The Securities Act, 1966, of Ontario. The holders of the debentures will have the right, at any time prior to maturity, to convert same into fully paid and non-assessable shares without par value of your Company at the rate of one share (after subdivisions hereinbefore mentioned) for each \$12 principal amount of debentures.

In the event that all of the present shareholders of Aetna accept your Company's offer and all of the aforementioned debentures are converted, then approximately 1,662,666 shares of your Company will be issued in respect thereof.

OTHER MATTERS

The Management does not know of any other matters to be brought before the Meeting other than those hereinbefore set forth and in the Notice of the Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.

By Order of the Board,

P. C. FINLAY,

Secretary.

Toronto, Ontario,
April 30th, 1969.

AETNA INVESTMENT CORPORATION LIMITED

PRO FORMA BALANCE SHEET JANUARY 31, 1969

AFTER GIVING EFFECT TO THE FOLLOWING

1. The purchase of approximately 22 acres of land from Dalewood Investments Limited for a total consideration of \$1,444,000, payable \$36,100 in cash and the balance by agreement of sale.
2. The purchase of all the outstanding shares of Millmink Developments Limited, for a total consideration of \$8,000,000 payable \$200,000 by way of deposit, \$1,800,000 on closing date, and the balance of \$6,000,000 by promissory notes.

BALANCE SHEET AND PRO FORMA BALANCE SHEET AS AT JANUARY 31, 1969

	Balance Sheet	Pro Forma Balance Sheet
CURRENT ASSETS		
Cash and Bank Deposit Receipts	\$ 587,775	\$ 351,675
Accounts and Sundry Receivables	27,547	27,547
Balance due under an Agreement of Sale	205,200	205,200
Land held for development (at cost)	463,000	1,907,000
Deposit on land purchase	14,400	14,400
Mining equipment and supplies (note #1)	56,813	56,813
	<u>\$1,354,735</u>	<u>\$ 2,562,635</u>
INVESTMENT IN ASSOCIATED COMPANIES AT COST		
163,136 shares of Commonwealth Savings & Loan Corporation	\$2,345,456	\$ 2,345,456
1,000 shares of Millmink Developments Limited	—	\$ 8,000,000
	<u>\$2,345,456</u>	<u>\$10,345,456</u>
Loan to Cowichan Copper Co. Ltd. (N.P.L.)	694,617	694,617
	<u>\$4,394,808</u>	<u>\$13,602,708</u>
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 46,358	\$ 46,358
Loans Payable	97,847	97,847
Mortgages Payable	539,600	539,600
Balance due under an Agreement of Purchase (Note 2)	—	1,407,900
Balance due on closing re Millmink shares	—	1,800,000
Deposit on land sales	22,800	22,800
	<u>\$ 706,605</u>	<u>\$ 3,914,505</u>
LONG TERM DEBT		
Secured Promissory Notes (Note 3)	—	\$ 6,000,000
SHAREHOLDERS' EQUITY		
CAPITAL STOCK		
Authorized: 3,500,000 common shares with a par value of 50¢ each		
Issued: 630,000 shares for properties & services		
1,862,000 shares for cash		
2,492,000	2,221,000	2,221,000
Deduct: Discount and commission		
less: premiums on shares	326,699	326,699
	<u>1,894,301</u>	<u>1,894,301</u>
Surplus re accompanying statement ...	1,793,902	1,793,902
	<u>3,688,203</u>	<u>3,688,203</u>
	<u>\$4,394,808</u>	<u>\$13,602,708</u>

We certify this to be correct:

Aetna Investment Corporation Limited
 "M. M. TANZ" "B. WINBERG"
 President Director

AETNA INVESTMENT CORPORATION LIMITED

Notes to Financial Statements:

1. The Company has entered into an option agreement with Bralorne Pioneer Mines Ltd. to sell its inventory, buildings and equipment for \$190,000.
2. Under the terms of the Agreement of Purchase and Sale, the balance due of \$1,407,900 is payable as follows:
 - (a) Interest shall accrue on the principal outstanding at the rate of $7\frac{1}{2}\%$ per annum from closing date to July 1, 1970. From July 1, 1970 to July 1, 1971, the interest rate on the principal outstanding shall be at the rate of $8\frac{1}{4}\%$ per annum.
 - (b) Commencing July 1, 1971, the interest on the principal amount outstanding shall be at the rate of $8\frac{3}{4}\%$ per annum, and the total amount outstanding shall be amortized and payable over a 25 year period.
3. The balance owing of \$6,000,000 re the purchase of Millmink shares is payable by secured promissory notes as follows:
 - (a) For the first two year period, the promissory notes are non-interest bearing; after which the interest rate becomes $3\frac{1}{4}\%$ during the third year, 5% during the fourth and fifth years, and 7% during the sixth and seventh years.
 - (b) Principal payments under the notes are as follows:
 a minimum of \$100,000 during the first year, a minimum of \$200,000 during the second year, and a minimum of \$250,000 payable semi-annually thereafter until the seventh year, at which time, all the principal outstanding becomes due and payable.
4. The contingent liability to Mitsui & Co. in the amount of \$75,000 (U.S.) was settled on February 18, 1969, by payment of \$25,000 in cash, and the balance together with 5% interest over ten equal monthly payments.

STATEMENT OF INCOME FOR EIGHT MONTHS to January 31, 1969

INCOME			
Mining Income	\$25,072.71		
Dividends	33,271.50		
Miscellaneous Income	10,854.99		
Profit on Sale of Land	44,792.00	\$113,991.20	
OPERATING EXPENSES			
Loan Interest	\$26,827.29		
Administration and General Expense	35,662.00		
Loss on Sale of Securities	2,000.00		
Mine Closing Expense	10,113.11	74,602.40	
Net Profit for 8 months to January 31, 1969		\$ 39,388.80	

AETNA INVESTMENT CORPORATION LIMITED

STATEMENT OF RETAINED EARNINGS EIGHT MONTHS ENDED JANUARY 31, 1969

Balance as at May 31, 1968	\$1,754,513.58
Add Profit 8 months to January 31, 1969	39,388.80
	<u>\$1,793,902.38</u>

SOURCE AND APPLICATION OF FUNDS AND PRO FORMA STATEMENT FOR TWO MONTHS ENDED JANUARY 31, 1969

	January 31, 1969	Pro Forma January 31, 1969
Working Capital Surplus, November 30, 1968	\$ 565,642	\$ 565,642
SOURCE OF FUNDS		
Sale of Aetna Treasury Shares	855,750	855,750
Balance due under an Agreement of Sale	205,200	205,200
	<u>1,060,950</u>	<u>1,060,950</u>
APPLICATION OF FUNDS		
Purchase of 31,700 shares of Commonwealth Savings & Loan Corporation	490,960	490,960
Loan Payable — A. C. Rose, Trustee	270,000	270,000
Purchase of Millmink Developments shares		2,000,000
Mortgage Payable	216,800	216,800
Loss on operation for two months ended January 31, 1969	702	702
	<u>\$ 978,462</u>	<u>\$2,978,462</u>
Increase in working capital surplus (decrease)	82,488	(1,917,512)
Working Capital Surplus (deficit) January 31, 1969	<u>\$ 648,130</u>	<u>(\$1,351,870)</u>

Investor Relations Canada Limited
 43 Eglinton Avenue East
 Toronto 315, Ontario
 Vicky Wood, 481-4438

On Behalf of: Canadian Goldale Corporation Limited
 11 Adelaide St. W.
 Toronto, Ontario
 Dr. K. A. Roberts, 364-3398

TORONTO, MAY 13, 1969 -- Canadian Goldale Corporation Limited in its annual report released today reported the following comparative figures:

	<u>Year Ended</u> <u>Dec. 31, 1968</u>	<u>Year Ended</u> <u>Dec. 31, 1967</u>
Gross Revenue	\$1,619,861	\$1,021,235
Net Earnings	177,143	145,896
Net Earnings Per Share	33¢	43¢

Earnings per share have been adjusted to reflect the issuance of 199,500 treasury shares which were privately placed with institutional investors during 1968.

Shareholders will be asked to approve a three-for-one subdivision of the common shares of the company at the annual meeting.

Shareholders were also advised that later this month an offer will be made to the shareholders of Aetna Investment Corporation Limited to exchange two Aetna shares for one new Goldale share. The share exchange has been approved by the Board of Directors of each company. Kenneth A. Roberts, president, said, "The acquisition of Aetna with its valuable properties that are ready for development, along with the broadening of the management base, will be of great value to the shareholders of both companies."

Dr. Roberts reported that during the fiscal year a 50 per cent interest in Graydon Hall Estates Limited was sold to the Canadian National Railways Pension Trust Fund and the proceeds used to purchase shares of Peel-Elder Limited. As of April 30, 1969, Canadian Goldale holdings of Peel-Elder were increased to 198,550 shares for an equity of approximately 18%. The market value of these shares on April 30, 1969 was \$6,552,150.

In January 1969 Goldale acquired a 75 per cent interest in the outstanding capital stock of Goldale Inns and Restaurants Limited, a newly incorporated company, for \$375,000. Goldale Inns and Restaurants Limited has entered into agreements with Big Boy Franchises, Inc. and Roy Rogers Western Foods, Inc., both of which are divisions of the Marriott Corporation Inc., of Washington, D.C.

The first Big Boy and Roy Rogers restaurants will be opened in the new Shoppers World Shopping Centre in Peel Village, Brampton, later this month.

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The first Big Boy and Roy Rogers restaurants will be opened in the new Shoppers World Shopping Centre in Peel Village, Brampton, later this month.

No Securities Commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

This Offer is not and under no circumstances is to be construed as an offer to any resident of the United States of America or any of the territories or possessions thereof.

MAY 27 1969

**OFFER TO PURCHASE COMMON SHARES
WITH A PAR VALUE OF 50 CENTS EACH OF
AETNA INVESTMENT CORPORATION LIMITED
FOR ONE-HALF SHARE (AFTER SUBDIVISIONS)
OF CANADIAN GOLDALE CORPORATION LIMITED**

file

This Offer will expire at 5.00 p.m. Toronto Time on Wednesday, June 18, 1969, subject to the right of the offeror to extend the time of expiration hereof.

May 14, 1969

TO: Holders of Common Shares with a par value of 50 cents of Aetna Investment Corporation Limited (other than those resident in the United States of America or in the territories or possessions thereof).

1. Canadian Goldale Corporation Limited (Goldale) hereby offers to purchase from you and other holders of the common shares with a par value of 50 cents each (Common Shares) of Aetna Investment Corporation Limited (Aetna), as now constituted, all issued and outstanding fully paid and non-assessable Common Shares for a consideration per Common Share purchased of one-half a share **(after subdivisions hereinafter mentioned)** of Goldale on the terms and subject to the conditions set forth below and in the Letter of Transmittal accompanying this Offer. **Your attention is drawn to clause (c) of paragraph 5 below which provides that this offer will not become binding on Goldale unless certificates representing in the aggregate at least 51% of the total issued and outstanding common shares on June 18, 1969, are deposited on or before said date.**
2. Goldale will pay all expenses of this Offer, including any applicable transfer taxes.
3. This offer will expire at 5.00 p.m. o'clock, Toronto Time, on Wednesday, June 18, 1969, unless extended. Notice of any such extension will be given in such manner as Goldale considers appropriate.
4. Subject to the conditions stated herein and in the Letter of Transmittal, payment of the consideration for the Common Shares purchased will be made within 12 days after the expiration of this Offer or any extension thereof.
5. This Offer is subject to the following conditions:
 - (a) that Aetna will not, during the term of this Offer:
 - (i) declare or pay any dividends on Common Shares except that mentioned in paragraph 9 below;
 - (ii) issue, or enter into any arrangement providing for the issue of, any shares in its capital;

FOR TABLE OF CONTENTS SEE BACK COVER PAGE

Vancouver Stock Exchange

November	1968	} No Trading
December	1968	
January	1969	
February	1969	
March	1969	
April	1969	

Arrangements or Agreements With Directors and Senior Officers of Aetna

Each of the Directors of Aetna has stated his intention to accept the Offer with respect to the Common Shares owned by him.

If Goldale takes up at least 51% of the issued and outstanding Common Shares under the Offer then (i) such directors and senior officers of Aetna and its subsidiaries as shall be designated by Goldale shall resign in favour of nominees of Goldale, and (ii) Messrs. Mark Tanz and Burton Winberg, who are now directors of Aetna, will be nominated to fill vacancies in the board of directors of Goldale created for such purpose, and Mr. Mark Tanz will be appointed a Vice-President of Goldale.

Except for the arrangements or agreements referred to above, no arrangement or agreement has been made or is proposed to be made between Goldale and any of the directors or senior officers of Aetna and no payment or other benefit is proposed to be made or given by way of compensation for loss of office or as to their remaining in or retiring from office if Goldale takes up any Common Shares of Aetna pursuant to the Offer.

Material Changes in Aetna

The Management of Aetna has furnished to Goldale the following information concerning material changes in the financial position or prospects of Aetna since January 31, 1969, the date of the last published interim and pro forma financial statements of Aetna:

- (i) The Option Agreement entered into by Aetna with Bralorne Pioneer Mines Ltd. in respect of the sale by Aetna to Bralorne Pioneer Mines Ltd. of Aetna's inventory, buildings and equipment therein described for \$190,000, which would have heretofore expired, has been extended for a further three month period in consideration of the payment to Aetna of \$1,000 per month for such extension, with all other terms and conditions remaining unchanged;
- (ii) On or about April 15, 1969, Aetna assigned to Edward C. Dobell a collateral debenture securing moneys owing to Aetna by Cerna Copper Mines Limited (No Personal Liability), formerly Cowichan Copper Co. Ltd. (No Personal Liability), for a cash consideration of \$100,000; .
- (iii) The purchase by Aetna of all the issued and outstanding shares of Millmink Developments Limited (reflected in the aforementioned pro forma financial statements) was completed on May 1, 1969, in accordance with the terms of the Agreement of Purchase and Sale; Aetna arranged a bank loan from The Toronto-Dominion Bank in the amount of \$1,400,000 to facilitate the purchase of said shares and as security for such loan has assigned 150,536 shares of Commonwealth Savings & Loan Corporation to said Bank;
- (iv) The purchase by Aetna of 22.3 acres of land in the Town of Mississauga, County of Peel, Province of Ontario, from Dalewood Investments Limited is reflected in the said pro forma financial statements.

Goldale does not have any information that indicates any other material change in the financial position or prospects of Aetna since January 31, 1969.

Re. Goldale

Reference is made to the Schedule hereto (which forms part of this Take-over Bid Circular) for further information concerning the affairs of Goldale.

Goldale Directors' Approval

This Take-over Bid Circular was presented to a meeting of the board of directors of Goldale held May 12, 1969, and the contents thereof have been approved and the delivery thereof authorized by the directors of Goldale.

SCHEDULE

to Take-over Bid Circular forming part of the Offer by Goldale to
purchase Common Shares of Aetna.

CANADIAN GOLDALE CORPORATION LIMITED

Canadian Goldale Corporation Limited (Goldale) was incorporated under the laws of the Province of Ontario by letters patent dated April 22, 1919, under the name Goldale Mines, Limited (No Personal Liability) with an authorized capital of \$3,000,000 divided into 3,000,000 shares with a par value of \$1 each. By supplementary letters patent dated September 17, 1962, the name of the Company was changed to Goldale Limited, its objects were varied and extended, the 3,000,000 shares of the Company with a par value of \$1 each were changed into 3,000,000 shares without par value, the authorized capital of the Company was increased by creating an additional 2,000,000 shares without par value ranking on a parity with the existing 3,000,000 shares, and the Company was made not subject to Part IV of The Corporations Act of Ontario. By supplementary letters patent dated June 16, 1965, the name of the Company was changed to Canadian Goldale Corporation Limited, the 5,000,000 issued and unissued shares without par value were consolidated into 500,000 shares without par value, and the authorized capital of Goldale was increased by creating an additional 500,000 shares without par value ranking on a parity with the 500,000 shares of Goldale without par value resulting from such consolidation. Goldale's head and principal office is at Suite 2400, 44 King Street West, Toronto, Ontario.

Capitalization

Security	Authorized Or To Be Authorized	OUTSTANDING		
		As At Dec. 31, 1968	As At Apr. 30, 1969	As Adjusted (Notes 4, 5 & 6)
Secured bank loan (Note 1).....	—	\$ 97,000	\$ 5,000	\$ 5,000
Mortgages payable (Note 2).....	—	10,190,870	10,042,242	10,042,242
50% of joint realty development mortgages (Note 3).....	—	345,300	673,663	673,663
Common shares of no par value.....	1,000,000 shs.	535,180 shs. (\$7,770,226)	565,180 shs. (\$8,085,226)	—
Common shares of no par value as adjusted (Note 4).....	7,500,000 shs.	1,605,540 shs. (\$7,770,226)	1,695,540 shs. (\$8,085,226)	1,695,540 shs. (\$8,085,226)
Debentures (Note 5).....	\$ 5,000,000	—	—	5,000,000
Conversion (Note 5).....	—	—	—	416,666 shs. (\$5,000,000)
Purchase of shares of Aetna Investment Corporation Limited (Note 6).....	—	—	—	1,246,000 shs. (\$14,952,000)

NOTES:

- The bank loan is secured by pledging of finance company notes receivable.
- Reference is made to Note 9 to the consolidated financial statements for the December 31, 1968 balance

Mortgages payable.....	\$ 9,942,286
Amount due within one year	248,584
Total mortgages payable	\$10,190,870
- Reference is made to Note 4 to the consolidated financial statements.
- The adjustments give effect to the issue of supplementary letters patent to the Company, to be dated May 31, 1969, subdividing the 565,180 issued common shares into 1,695,540 shares and the 434,820 unissued common shares into 5,804,460 shares.
- The adjustments give effect to the proposed creation by the Company of \$5,000,000 debentures, unsecured, 8%, 10 years, convertible into common shares at \$12.00 per share, to be placed privately.
- In the event that all of the present shareholders of Aetna Investment Corporation Limited accept the Company's offer then 1,246,000 no par value shares would be issued in respect thereof.

Operations of Goldale

From the time of its incorporation in 1919 until 1967 Goldale's principal undertaking was the exploration and development of mineral lands. In 1967 Goldale made a major change in the nature of its operations and it is now primarily engaged in the development and management of real estate.

Flemingdon Park

Goldale owns and manages 8 apartment buildings containing a total of 880 suites situated in the Don Mills section of The Municipality of Metropolitan Toronto (Borough of North York), acquired in 1967 for a total price of \$10,380,000. These properties are subject to mortgages repayable in varying amounts to 1995 and bearing interest at rates of 6½% to 7% per annum. As at December 31, 1968, the aggregate principal balance outstanding on said mortgages was \$9,358,870 of which \$248,584 is due in 1969.

Peel Village Highlands

Goldale is an equal partner with Peel Village Developments Co. Limited, a wholly-owned subsidiary of Peel-Elder Limited (a company associated with Goldale), in a partnership known as Peel Village Highlands. The partnership owns approximately 580 acres of land, and is continuing to acquire other lands, on or near Highway 401 in the Preston—Kitchener area of the Province of Ontario, on which it is proposed to develop a fully integrated community including industrial, commercial and residential areas. As at April 30, 1969, land acquisition costs to the partnership totalled \$1,902,326. Lands owned by the partnership are subject to mortgages on which the principal amount outstanding at April 30, 1969, aggregated \$1,347,326. The partnership has entered into agreements to purchase an additional 178 acres of land for a purchase price of approximately \$625,000 of which \$575,000 will be paid by giving back a mortgage.

Galt

Goldale's wholly-owned subsidiary, Goldale Acceptance Limited owns approximately 140 acres of land in the City of Galt, Province of Ontario, acquired in 1968 for a purchase price of \$354,903, subject to a mortgage on which the principal outstanding at December 31, 1968, amounted to \$292,000 due November 1978, with interest at 5% per annum. Goldale's proposals for development of this land include housing, apartment and commercial construction.

Graydon Hall

Goldale has purchased from Graydon Hall Estates Limited (formerly Normco Limited) 14.9 acres of vacant land on the west side of Don Mills Road south of Highway 401 in The Municipality of Metropolitan Toronto (Borough of North York), and 7 neighbouring single-family dwelling lots, for a total purchase price of \$600,000, of which \$60,000 has been paid and the remainder is due in June, 1973, with interest half-yearly at the rate of 7% per annum. Goldale's proposals for development of said lands include the construction of a large, high rise, commercial building.

Graydon Hall Estates Limited

Graydon Hall Estates Limited (Graydon Hall) is beneficially owned by Goldale as to a 7% interest, Peel-Elder Limited as to a 43% interest and Canadian National Railway Company Trustee for Canadian National Railways Pension Trust Fund as to a 50% interest. Graydon Hall had under construction on April 30, 1969, on its lands immediately south of Highway 401 on the east of Don Mills Road, in The Municipality of Metropolitan Toronto (Borough of North York), three high rise apartment towers of 20, 24 and 25 stories, respectively, containing a total of 888 suites. One of the towers is being rented and constructions of the others is on schedule. Construction of a fourth tower containing 197 suites is planned to commence in the fall of 1969 or the spring of 1970.

Mining Properties

Goldale owns patented and unpatented mining claims in the Townships of Tisdale, Murphy and Hindon in the Province of Ontario and unpatented claims in the Coppermine River Area, District of MacKenzie, Northwest Territories. No exploration or development work is in progress on these claims.

Goldale Acceptance Limited

Goldale Acceptance Limited is a wholly-owned subsidiary of Goldale and has operated as an acceptance company since 1965. In 1967 Goldale decided to discontinue the operations of Goldale Acceptance Limited and it is currently proceeding to realize on outstanding accounts.

Shoppers' Bowling Lanes Limited

Goldale owns a 26% beneficial interest in Shoppers' Bowling Lanes Limited which operates a bowling alley in Shoppers' World Shopping Centre at 3003 Danforth Avenue in the City of Toronto.

Goldale Inns and Restaurants Limited

Goldale owns a 75% beneficial interest in Goldale Inns and Restaurants Limited (Inns) which was incorporated under The Corporations Act of the Province of Ontario in 1969. Goldale's interest was acquired for a cash consideration of \$375,000. Inns has entered into Agreements with Big Boy Franchises, Inc. and Roy Rogers Western Foods, Inc. granting to Inns exclusive rights for the operation and sub-franchising of "Big Boy" and "Roy Rogers" restaurants in Canada except, in the case of "Big Boy" restaurants, the County of Essex, Province of Ontario. Under said Agreements Inns is obligated to open at least 50 Big Boy restaurants by September, 1978, and 68 Roy Rogers restaurants by January, 1973. Goldale has guaranteed the obligations of Inns under said Agreements.

Peel-Elder Limited

Goldale owns a 18.046% beneficial interest in Peel-Elder Limited, a major, diversified real estate company engaged in land development, new-home construction, apartment and town house construction, leasing and management, industrial construction and leasing, and shopping centre development construction, leasing and management.

Towagmac Exploration Company Limited

Goldale owns a 12.443% beneficial interest in Towagmac Exploration Company Limited which holds inactive mining properties in the Township of Beauchastel, Province of Quebec, a 25% interest in Shoppers' Bowling Lanes Limited, and interests in other inactive mining companies.

Re. Kenneth A. Roberts

Kenneth A. Roberts has taken the initiative in the substantial reorganization of the business of Goldale which has taken place since 1967. He has not received nor is he to receive anything of value from Goldale or from any of its subsidiaries save and except in respect of pension benefits and the option to purchase shares of Goldale, hereinafter referred to under the headings "Remuneration of Directors and Senior Officers" and "Options to Purchase Securities", respectively.

Description of Goldale Shares

The shares being offered as part of the consideration for Common Shares of Aetna are fully paid and non-assessable shares without par value in the capital of Goldale. Holders of the shares are entitled to one vote for each share held. They are entitled to dividends as and when declared and to participate rateably in any other distributions of the assets of the Company.

Issuance of Obligations

No obligations of Goldale are being offered at this time but it is proposed that, within 2 months from and after the date of the Offer, Goldale will create and issue \$5,000,000 in principal amount of unsecured, convertible debentures bearing interest at the rate of 8% per annum and maturing in 10 years, which will be sold to certain exempt purchasers under The Securities Act, 1966, of Ontario. The holders of the debentures will have the right, at any time prior to maturity, to convert same into fully paid and non-assessable shares without par value of Goldale at the rate of one share for each \$12 principal amount of debentures. Goldale proposes to utilize the proceeds of the sale of such debentures to continue its land development programme, including the acquisition and construction of income-producing properties.

Dividend Record

Goldale has paid no dividends on its outstanding shares in respect of the last five fiscal years preceding the date of the Offer.

Directors and Officers

Name and Address	Position with Company	Principal Occupation
KENNETH ALEXANDER ROBERTS..... R.R. No. 2, Pickering, Ontario	President and..... Director	Physician and Executive
CHARLES FERGUSON WATSON..... 1 Peel Village Parkway Brampton, Ontario	Vice-President and..... Director	President of Peel Village Developments Co. Ltd.

PERCY CLAIRE FINLAY, Q.C.....	Secretary-Treasurer and.....	Partner in legal firm of
184 Alexandra Boulevard	Director	Holden, Murdoch, Walton, Finlay,
Toronto 310, Ontario		Robinson, Pepall & Harvey
ARTHUR HESS HONSBERGER.....	Director.....	Mining Engineer
18 Pinetree Crescent		
Brampton, Ontario		
STANLEY LOUIS JASKE.....	Director.....	Contract Manager of
36 Belvedere Boulevard		Royalmetal Corporation Limited
Toronto 590, Ontario		

Each of the above-named persons has held the principal occupation indicated for at least five years.

Remuneration of Directors and Senior Officers

No direct remuneration was paid or payable by Goldale or any of its subsidiaries to any director nor to the President, Vice-President or Secretary-Treasurer of Goldale during the period January 1, 1968, to April 30, 1969. The aggregate direct remuneration paid or payable by Goldale and its subsidiary whose financial statements are consolidated with those of Goldale to the five highest paid employees of Goldale during the year 1968 was \$19,794.74, and during the period from January 1 to April 30, 1969, was \$9,480.20.

The estimated cost to Goldale and its subsidiaries during the year 1968 of all pension benefits proposed to be paid in the aggregate, directly or indirectly, to the directors and senior officers of Goldale under existing plans in the event of retirement at normal retirement age was \$1,500.

Options to Purchase Securities

On April 19, 1968, Goldale granted to Kenneth A. Roberts, President, an option to purchase 20,000 shares of its capital stock and to Charles F. Watson, Vice-President, an option to purchase 10,000 shares of its capital stock, at the price of \$10.50 per share exercisable, in each case, on or before April 19, 1973. The price range of Goldale shares on the Toronto Stock Exchange in the 30 day period preceding the grant of said options was \$9.75 to \$11.50.

On April 9, 1969, Kenneth A. Roberts and Charles F. Watson exercised their respective options in full. The price range on the Toronto Stock Exchange in the 30 day period preceding the exercise of said options was \$27.00 to \$30.75.

Pursuant to an agreement dated January 16, 1969, Goldale granted to John L. Bitove, General Manager of Goldale Inns and Restaurants Limited, a subsidiary company, an option to purchase 10,000 shares of its capital stock at the price of \$32.50 per share exercisable on or before January 16, 1974. The price range of Goldale shares on the Toronto Stock Exchange in the 30 day period preceding the grant of the said option was \$30.00 to \$33.50.

Principal Holders of Securities

At April 30, 1969, the directors and senior officers of Goldale, as a group, beneficially owned, directly or indirectly, 8.359% of the shares of Goldale.

Prior Sales

In September, 1968, Goldale sold 125,000 of its treasury shares at the price of \$27 per share.

In November, 1968, Goldale issued 24,500 of its treasury shares at the price of \$32 per share as part of the consideration for the mortgage referred to in item (vi) under the heading "Material Contracts".

In December, 1968, Goldale sold 50,000 of its treasury shares at the price of \$32 per share.

In April, 1969, Goldale sold 20,000 of its treasury shares to Kenneth A. Roberts and 10,000 of its treasury shares to Charles F. Watson, all at the price of \$10.50 per share, upon the exercise of their respective options referred to under the heading "Options to Purchase Securities".

Interest of Management and Others in Material Transactions

No director or senior officer of Goldale nor, to the knowledge of the directors or senior officers of Goldale, any person or company who owns beneficially, directly or indirectly, more than 10% of any class of equity shares of Goldale, had any material interest, direct or indirect, in any transaction within the three years prior to the date of the Offer, or in any proposed transaction which, in either such case, has materially affected or will materially affect Goldale or any of its subsidiaries, save and except the options to purchase shares of Goldale granted to Kenneth A. Roberts, President of Goldale, Charles F. Watson, Vice-President

of Goldale, and John L. Bitove, General Manager of Goldale Inns and Restaurants Limited referred to under the heading "Options to Purchase Securities".

Auditors, Transfer Agents and Registrars

The Auditors of Goldale are Collins, Love, Eddis, Valiquette & Co. of 110 Yonge Street, Toronto, Ont. Canada Permanent Trust Company at its principal office in Toronto, Ontario, is the Transfer Agent and Registrar for the shares of Goldale.

Consent of Auditors

The consent of Collins, Love, Eddis, Valiquette & Co. to the inclusion herein of their report set out on page 16 hereof is reproduced below:

TO: Canadian Goldale Corporation Limited,
Suite 2400,
44 King Street West,
Toronto,
Ontario.

We consent to the use in the Take-over Bid Circular forming part of your Offer dated May 14, 1969, to purchase Common Shares with a par value of 50 cents each of Aetna Investment Corporation Limited, of our Auditors' Report dated March 20, 1969, respecting Financial Statements of Canadian Goldale Corporation Limited and Consolidated Subsidiary which appears on page 16 of the Schedule to the Circular.

(Signed) COLLINS, LOVE, EDDIS, VALIQUETTE & CO.

May 12, 1969.

Material Contracts

Particulars of material contracts entered into by Goldale and its subsidiaries within the two years prior to the date of the Offer, other than contracts in the ordinary course of business, are as follows:

- (i) Agreement of Purchase and Sale consisting of an offer to Hiwako Investments Limited dated May 13, 1967, and an acceptance thereof by Hiwako Investments Limited dated May 15, 1967, respecting the purchase by Goldale of 8 apartment buildings containing 880 suites in Flemingdon Park, Borough of North York, in the County of York, Province of Ontario, for a total purchase price of \$10,380,000;
- (ii) Partnership Agreement dated September 1, 1967, with Peel Village Developments Co. Limited respecting the assembly and development of lands in or adjacent to the Town of Preston, in the County of Waterloo, Province of Ontario, to be known as "Peel Village Highlands";
- (iii) Underwriting and Option Agreement dated November 8, 1967, with Peel-Elder Limited respecting the sale to Goldale of 75,000 fully paid and non-assessable shares of Peel-Elder Limited at a price of \$11 per share and the granting to Goldale of an Option to purchase all or any part of an additional 37,500 fully paid and non-assessable shares of Peel-Elder Limited at a price of \$11 per share;
- (iv) Agreement dated June 10, 1968, with Normco Limited (now called Graydon Hall Estates Limited) respecting the purchase by Goldale of 7 single family dwelling lots and approximately 14.9 acres of vacant land in the Borough of North York, in the County of York, Province of Ontario, for a total purchase price of \$600,000;
- (v) Agreement of Purchase and Sale consisting of an offer made to Guy Hillmer, Administrator with Will annexed of Margaret Hillmer deceased, dated January 30, 1968, and an acceptance thereof by said Administrator dated January 30, 1968, respecting the purchase by Goldale Acceptance Limited of approximately 140 acres of land in the City of Galt, in the County of Waterloo, Province of Ontario, for a total purchase price of \$354,903;
- (vi) Assignment of Mortgage dated December 10, 1968, whereby the Dand Family Trust assigned to Goldale a first mortgage dated December 15, 1966, made by Nordel Development Corporation Limited, Joden Construction Limited, Sarick Homes (Ontario) Limited and Samuel Sarick and Company Limited, as partnership property, as mortgagors, covering lands on the west side of Rouge Hills Drive and on both

sides of Ridgewood Road, in the Township of Pickering, in the County of Ontario, Province of Ontario, formerly comprising Rouge Hills Golf and Country Club; the balance of principal outstanding under the mortgage at the time of the said Assignment was \$785,000, which is due December 31, 1976; interest is at the rate of 7% per annum payable quarterly;

(vii) Agreement dated January 15, 1969, between Big Boy Franchises, Inc. and Goldale Inns and Restaurants Limited respecting the exclusive licencing of Goldale Inns and Restaurants Limited and its sub-franchisees to use the Big Boy system of opening and operating restaurants which feature "Big Boy" menus in Canada, except for the County of Essex, Province of Ontario; annexed to said Agreement is a joint and several guarantee by Goldale and others of the obligations of Goldale Inns and Restaurants Limited under said Agreement;

(viii) Agreement dated January 15, 1969, between Roy Rogers Western Foods, Inc. and Goldale Inns and Restaurants Limited respecting the exclusive licencing of Goldale Inns and Restaurants Limited and its sub-franchisees to use the Roy Rogers system of manufacturing and marketing sandwiches, drinks and other food products which feature roast beef sandwiches in Canada; annexed to said Agreement is a joint and several guarantee by Goldale and others of the obligations of Goldale Inns and Restaurants Limited under said Agreement.

The above contracts or copies thereof may be inspected prior to the expiry of the Offer during normal business hours at Suite 2400, 44 King Street West, Toronto, Ontario.

Canadian Goldale Corporation Limited
and its subsidiary company
Consolidated Balance Sheet as at December 31, 1968

Assets

CASH, NOTES AND ACCOUNTS RECEIVABLE

Cash	\$ 2,077
Short term deposits	4,400,000
Notes receivable (Note 2)	341,523
Accounts receivable	427,091

5,170,691

Land held for development, at cost (Note 6)	957,965
Investment in joint realty development (Note 4)	129,344
Mortgages receivable (consisting of \$785,000 due in 1976 and \$40,000 due in 1973)	825,000
Investment in other companies, including listed shares with a quoted market value of \$5,701,900; (Note 3)	1,472,598

REVENUE PROPERTIES

Land, buildings, furniture and appliances at cost less accumulated depreciation \$496,627; (Note 5)	9,991,987
Mining claims (Note 7)	75,007

OTHER

Office furniture and automobile, at cost less accumulated depreciation \$3,020	4,404
Sundry accounts receivable	4,459

\$18,631,455

Liabilities

DEMAND LOANS AND ACCOUNTS PAYABLE

Bank indebtedness (Note 8)	\$ 224,710
Other loans payable	35,000
Accounts payable and accrued charges	174,689
Mortgage payments due within one year	248,584
Tenants' rental deposits	121,785
Estimated corporation taxes payable	460

805,228

Mortgages payable (Note 9)	9,942,286
----------------------------	-----------

CAPITAL AND RETAINED EARNINGS

Capital Stock

Authorized

1,000,000 shares of no par value—consideration not to exceed \$ 8,000,000

Issued and fully paid (Note 10)

535,180 shares for 7,770,226

Retained earnings 113,715

7,883,941

\$18,631,455

Approved on behalf of the Board,

(Signed) K. A. ROBERTS, Director

(Signed) P. C. FINLAY, Director

The accompanying Notes are an integral part of these financial statements.

Canadian Goldale Corporation Limited
and its subsidiary company
Notes to Consolidated Financial Statements
as at December 31, 1968

1. PRINCIPLES OF CONSOLIDATION

Included in the consolidation are the accounts of Goldale Acceptance Limited, a wholly-owned subsidiary company, for the fiscal years ended December 31, 1965 to 1968.

2. NOTES RECEIVABLE

Commercial instalment loans.....	\$ 348,869
Other commercial obligations.....	41,076
Re-posessions.....	68,250
	<u>458,195</u>
Less:	
Allowance for doubtful receivables.....	103,977
Unearned service charges.....	12,695
	<u>116,672</u>
	<u>\$ 341,523</u>

The notes receivable arose from financing of purchases of trucks, automobiles and commercial equipment and are repayable in equal monthly instalments over a term which varies from 12 months to 60 months.

In late 1967 the company decided to discontinue this type of financing and proceeded to realize on its outstanding accounts.

3. INVESTMENT IN OTHER COMPANIES

Listed shares, at cost (quoted market value—\$5,701,900).....	\$ 1,361,776
Unlisted shares, at cost.....	110,822
	<u>\$ 1,472,598</u>

4. INVESTMENT IN JOINT REALTY DEVELOPMENT

In 1967 the company entered into an equal partnership with Peel Village Developments Co. Limited a subsidiary of Peel-Elder Limited, for the acquisition and development of land for commercial, industrial and residential purposes. The summarized position of the partnership at December 31, 1968 is:

Land held for future development, at cost, including development costs to date.....	\$ 1,110,642	
Less: Mortgages payable.....	690,600	420,042
Deposits on offers to purchase land (Purchase price \$1,795,000; mortgages arranged \$1,610,000).....		49,710
		469,752
Accounts payable.....		13,234
Partners' equity.....		<u>\$ 456,518</u>
Canadian Goldale Corporation Limited.....	129,344	
Peel Village Developments Co. Limited.....	<u>327,174</u>	<u>\$ 456,518</u>

The partners' capital contributions have been equalized in 1969.

5. REVENUE PROPERTIES

Depreciation is recorded on a straight-line basis at the following rates:

Buildings—1/35 of cost per annum

Furniture and appliances—15% of cost per annum.

6. LAND, AT COST

Land—in Borough of North York, Ontario.....	603,062
—140 acres in the City of Galt, Ontario.....	354,903
	<u>\$ 957,965</u>

7. MINING CLAIMS

Patented mining claims, Tisdale Township, Ontario, at cost less write-down of \$225,096.....	50,000
Unpatented mining claims, Murphy Township, Ontario, at cost.....	5,006
Broken lot, Concession 1, Hindon Township, Ontario—nominal value.....	1
Unpatented mining claims, Coppermine River Area, District of MacKenzie, Northwest Territories, at cost.....	20,000
	<u>\$ 75,007</u>

8. BANK INDEBTEDNESS

A portion of the bank indebtedness (\$97,000) is secured by pledging of finance company notes receivable.

9. MORTGAGES PAYABLE

Mortgages on revenue properties are repayable in varying amounts to 1995 and bear interest at rates from 6½% to 7%. At December 31, 1968 they are comprised as follows:

Mortgages payable.....	\$ 9,358,870	
Less amount due within one year.....	248,584	9,110,286
Mortgage on land in City of Galt, Ontario, 5% due November 1978.....		292,000
Amount owing to vendor of North York property, bearing interest at 7% per annum, due June 1973.....		540,000
		<u>\$ 9,942,286</u>

Canadian Goldale Corporation Limited
and its subsidiary company
Notes to Consolidated Financial Statements
as at December 31, 1968
(continued)

9. MORTGAGES PAYABLE (continued)

Principal amounts due on the mortgages in the next five years are as follows:

1969	—	\$248,584
1970	—	\$157,095
1971	—	\$166,177
1972	—	\$175,868
1973	—	\$726,208

10. CAPITAL STOCK

During 1968, 175,000 shares were issued for \$4,907,500 cash and 24,500 shares were issued at \$32 per share (\$784,000) as partial consideration for a mortgage receivable.

The president and vice-president of the company hold options on a total of 30,000 shares at \$10.50 per share, exercisable on or before April 19, 1973.

11. RE-STATEMENT OF EARNINGS

In 1968 the company changed its method of reporting profits on sales of investments, including these profits in the statement of earnings rather than in the statement of retained earnings or deficit. Restated earnings are as follows:

Year	(Loss) Profit previously reported	Profit on sale of Investments	Net earnings restated
1967.....	(131,093)	276,989	145,896
1966.....	43,770	526,371	570,141
1965.....	10,579	199,918	210,497
1964.....	27,723	114,125	141,848

12. INCOME TAXES

No provision has been made for income taxes, if any, which may arise in connection with amounts realized from investment transactions, since it is impracticable to estimate the amount, if any, of such taxes.

13. EVENTS SUBSEQUENT TO DECEMBER 31, 1968

(a) Goldale Inns and Restaurants Limited

In January, 1969 the company acquired a 75% interest in the outstanding capital stock of Goldale Inns and Restaurants Limited, a newly-incorporated company, for \$375,000.

Goldale Inns and Restaurants Limited has entered into agreements with Big Boy Franchises, Inc. and Roy Rogers Western Foods, Inc. which provide for the exclusive rights to the operation and franchising of restaurants in Canada. Goldale Inns and Restaurants Limited is obligated by these agreements to open at least 50 Big Boy restaurants by September 1978 and 68 Roy Rogers restaurants by January, 1973.

Canadian Goldale Corporation Limited has guaranteed the performance of the undertakings set out in the above agreements.

(b) Employee's stock option

In January, 1969 the company granted an option on 10,000 shares of its capital stock to an employee of Goldale Inns and Restaurants Limited, at \$32.50 per share. The option is exercisable over a period of five years, with the optionee having the right to take up not more than 20% of the total option with respect to each year of employment.

(c) Purchase of investments

During the period January 1—March 20, 1969, the company purchased 7,375 shares of Peel-Elder Limited for \$197,146.

14. No direct remuneration was paid or payable by the company or any of its subsidiaries to any Director nor to the President, Vice-President or Secretary-Treasurer of the company during the year 1968. The aggregate remuneration paid or payable by the company or its subsidiary whose financial statements are consolidated with those of the company, to the 5 highest paid employees of the company during the year 1968 was \$19,794.74.

Canadian Goldale Corporation Limited
and its subsidiary company
Consolidated Statement of Retained Earnings (Deficit)
For the Five Years ended December 31, 1968

	1968	1967	1966	1965	1964
Deficit at beginning of year.....	\$(63,428)	\$(215,433)	\$(560,478)	\$(750,529)	\$(871,019)
ADD:					
Net earnings for the year.....	177,143	145,896	570,141	210,497	141,848
Adjustment of prior years' income taxes.....	—	6,109	—	—	—
	<u>113,715</u>	<u>(63,428)</u>	<u>9,663</u>	<u>(540,032)</u>	<u>(729,171)</u>
LESS:					
Write-down of mining claims in Tisdale Township, Ont.	—	—	225,096	—	—
Mining claims in Quebec and Ontario abandoned.....	—	—	—	7,221	—
Additional income taxes assessed on prior years' income	—	—	—	7,699	—
Cost of Supplementary Letters Patent.....	—	—	—	4,195	—
Incorporation costs of subsidiary company.....	—	—	—	1,331	—
Investment in shares of unlisted mining company written down to a nominal value.....	—	—	—	—	21,358
Retained earnings or deficit () at end of year.....	<u>\$113,715</u>	<u>\$(63,428)</u>	<u>\$(215,433)</u>	<u>\$(560,478)</u>	<u>\$(750,529)</u>

Canadian Goldale Corporation Limited
and its subsidiary company
Consolidated Statement of Earnings
For the Five Years ended December 31, 1968

	1968	1967	1966	1965	1964
GROSS REVENUE					
Rentals.....	\$1,483,114	\$ 828,794	—	—	—
Earned service charges and interest on receivables....	73,930	161,222	\$157,431	\$ 62,806	—
Investment income.....	62,817	31,219	43,722	39,443	\$41,843
	<u>\$1,619,861</u>	<u>\$1,021,235</u>	<u>\$201,153</u>	<u>\$102,249</u>	<u>\$41,843</u>
NET OPERATING INCOME					
Net rental income before deducting depreciation.....	184,285	54,812	—	—	—
Profit (loss) from operation of finance business, after deduction of provision for losses on receivables....	(99,545)	32,799	30,671	2,550	—
Investment income.....	62,817	31,219	43,722	39,443	41,843
	<u>147,557</u>	<u>118,830</u>	<u>74,393</u>	<u>41,993</u>	<u>41,843</u>
LESS:					
Joint realty development—share of preliminary expenses	1,886	4,851	—	—	—
Administrative and general expenses.....	71,797	39,054	24,111	28,643	14,120
Mining exploration.....	45,790	22,710	—	—	—
Depreciation.....	315,432	183,308	403	504	—
	<u>434,905</u>	<u>249,923</u>	<u>24,514</u>	<u>29,147</u>	<u>14,120</u>
Profit (loss) from operations.....	(287,348)	(131,093)	49,879	12,846	27,723
Estimated income taxes.....	—	—	(6,109)	(2,267)	—
Profit on sale of investments (1966 is after provision for estimated loss on realization of investments—\$353,143)	464,491	276,989	526,371	199,918	114,125
Net earnings.....	<u>\$ 177,143</u>	<u>\$ 145,896</u>	<u>\$570,141</u>	<u>\$210,497</u>	<u>\$141,848</u>

Canadian Goldale Corporation Limited
and its subsidiary company
Consolidated Statement of Source and Application of Funds
For the Five Years ended December 31, 1968

	<u>1968</u>	<u>1967</u>	<u>1966</u>	<u>1965</u>	<u>1964</u>
SOURCE OF FUNDS					
Net earnings.....	\$177,143	\$145,896	\$570,141	\$210,497	\$141,848
Depreciation.....	315,432	183,308	403	504	—
Other write-offs.....	14,400	—	—	—	—
Sale of capital stock.....	4,907,500	—	—	—	10,515
Realization of investments.....	426,710	1,131,853	1,167,694	81,594	184,152
Mortgage loans.....	—	9,862,763	—	—	—
Reduction of prior years' income taxes.....	—	6,109	—	—	—
Reduction in sundry accounts receivable.....	—	—	—	385	579
Realization of advances to Peel Village Homes Limited	—	—	—	—	154,156
	<u>5,841,185</u>	<u>11,329,929</u>	<u>1,738,238</u>	<u>292,980</u>	<u>491,250</u>
APPLICATION OF FUNDS					
Purchase of mortgage receivable.....	41,000	—	—	—	—
Purchase of investments.....	1,272,300	485,368	1,169,378	692,927	204,286
Investment in joint realty development.....	102,701	21,149	—	—	—
Purchase of land, buildings and furniture and appliances at Flemington Park.....	16,760	10,472,862	—	—	—
Purchase of land.....	125,965	—	—	—	—
Purchase of automobile.....	3,894	—	—	—	—
Increase in sundry accounts receivable.....	409	5,695	200	—	—
Mortgage payments.....	248,556	503,921	—	—	—
Acquisition of mining claims.....	—	34,400	—	—	7,187
Purchase of office furniture.....	—	—	—	2,521	—
Additional income taxes assessed on prior years' income	—	—	—	7,699	—
Cost of Supplementary Letters Patent.....	—	—	—	4,195	—
Incorporation costs of subsidiary company.....	—	—	—	1,331	—
	<u>1,811,585</u>	<u>11,523,395</u>	<u>1,169,578</u>	<u>708,673</u>	<u>211,473</u>
Increase or decrease () in working capital including notes receivable due after one year.....	<u>\$4,029,600</u>	<u>\$(193,466)</u>	<u>\$568,660</u>	<u>\$(415,693)</u>	<u>\$279,777</u>

WORKING CAPITAL
(Including notes receivable due after one year)

	<u>1968</u>	<u>1967</u>	<u>1966</u>	<u>1965</u>	<u>1964</u>
Working capital (deficiency) at beginning of year.....	335,863	529,329	(39,331)	376,362	96,585
Increase or decrease () as above.....	<u>4,029,600</u>	<u>(193,466)</u>	<u>568,660</u>	<u>(415,693)</u>	<u>279,777</u>
Working capital (deficiency) at end of year.....	<u>\$4,365,463</u>	<u>\$335,863</u>	<u>\$529,329</u>	<u>\$(39,331)</u>	<u>\$376,362</u>

COLLINS, LOVE, EDDIS, VALIQUETTE & Co.

CHARTERED ACCOUNTANTS

VANCOUVER CALGARY WINNIPEG TORONTO
MONTREAL AND OTHER CITIES IN CANADA

REPRESENTATIVES IN GREAT BRITAIN AND
THE UNITED STATES OF AMERICA

TELEPHONE (416) 363-3235

SUITE 1201
110 YONGE STREET
TORONTO 1, CANADA

AUDITORS' REPORT

To the Directors,
Canadian Goldale Corporation Limited.

We have examined the consolidated balance sheet of Canadian Goldale Corporation Limited and its subsidiary company as at December 31, 1968 and the consolidated statements of retained earnings, earnings and source and application of funds for the five years ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the companies as at December 31, 1968 and the results of their operations and the source and application of their funds for the five years then ended, in accordance with generally accepted accounting principles applied on a consistent basis.

Collins, Love, Eddis, Valiquette & Co.

Toronto, Canada,
March 20, 1969.

CHARTERED ACCOUNTANTS.

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May 14, 1969

TO: The holders of Common Shares with a par value of 50 cents each of Aetna Investment Corporation Limited (other than those resident in the United States of America or in the territories or possessions thereof).

Following discussions with your Directors, we are pleased to furnish you with the following documents:

1. An Offer by Canadian Goldale Corporation Limited (Goldale) to purchase all the issued and outstanding common shares with a par value of 50 cents each of Aetna Investment Corporation Limited (Aetna), to which is annexed a Take-over Bid Circular by Goldale providing detailed information with respect to the Offer;
2. A letter from the President of Aetna;
3. A Directors' Circular of the Directors of Aetna; and
4. A Letter of Transmittal to accompany your share Certificate(s) and an envelope.

YOUR SPECIAL ATTENTION IS DRAWN TO SUBCLAUSES (B) AND (C) OF PARAGRAPH 5 OF THE OFFER.

Please read the enclosed documents carefully as they require a decision on your part which must be made within the time limit specified.

If you accept this Offer you should complete the Letter of Transmittal and forward it with your share certificate(s) in accordance with the instructions set forth therein.

Yours very truly,
CANADIAN GOLDALE CORPORATION LIMITED

K.A. Roberts

President

AETNA INVESTMENT CORPORATION LIMITED

Executive Offices

109 Vanderhoof Avenue,
Toronto 352, Ontario.

May 14, 1969.

TO: The holders of Common Shares with a par value of 50 cents each of
Aetna Investment Corporation Limited (other than those resident in the
United States of America or in the territories or possessions thereof).

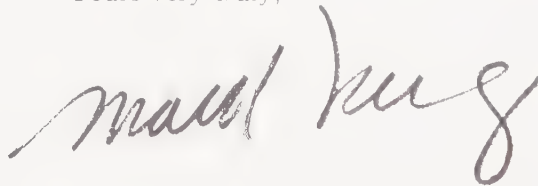
Enclosed with this letter is an Offer to you by Canadian Goldale Corporation Limited,
and supporting papers.

Provided the share exchange between Canadian Goldale Corporation Limited and your
Company is completed, it is felt that the pooling of management, financial resources, income
producing properties, and valuable land inventories will enable both Companies to achieve
a greater degree of progress together than either would have achieved separately.

I have been authorized to advise you that your Directors unanimously recommend the
acceptance of this Offer, and have each agreed to accept it with respect to his own shares.

A Directors' Circular is also enclosed herewith.

Yours very truly,

A handwritten signature in dark ink, appearing to read "Marshall King". The signature is fluid and cursive, with the first name "Marshall" written in a slightly larger, more prominent script than the last name "King".

President.

DIRECTORS' CIRCULAR of AETNA INVESTMENT CORPORATION LIMITED

May 14, 1969.

This Circular is issued by the Directors of Aetna Investment Corporation Limited (Aetna) with reference to the accompanying Offer made by Canadian Goldale Corporation Limited (Goldale) to purchase all of the issued and outstanding common shares of Aetna, to which Offer reference is made in the letter of recommendation herewith dated May 14, 1969, written on behalf of the Directors of Aetna.

1. The number of shares and options to purchase shares beneficially owned, directly or indirectly, by the directors and senior officers of Aetna and their associates is set out below:

Name	Position with Company	Shares	Outstanding Options To Purchase Shares
Mark M. Tanz	President and Director	862,961	Nil
Robert A. C. Douglas	Secretary-Treasurer and Director	2,770	Nil
Burton Winberg	Director	29,900	Nil
Wife of Burton Winberg	—	2,150	Nil
Child of Burton Winberg	—	1,200	Nil
Esther P. Tusa	Assistant Secretary	50	Nil
Sydney H. Blackman	Employee	Nil	Nil
Harold F. Burt	Employee	Nil	Nil

The 862,961 shares held by Mark M. Tanz represent 34.6% of the voting rights attached to all outstanding equity shares of Aetna. The directors and senior officers of Aetna do not know of any other person or company beneficially owning, directly or indirectly, shares carrying more than 10% of the voting rights attached to all outstanding equity shares of Aetna.

2. All of the directors and senior officers of Aetna and their associates intend to accept the said Offer.

3. No director or senior officer of Aetna or their associates beneficially owns, directly or indirectly, any shares of Goldale.

4. It is proposed that should the Offer be successful then upon Goldale acquiring control of Aetna on the exchange of shares, Goldale will invite the President of Aetna to become a director and a Vice-President of Goldale. It is further proposed that Burton Winberg will be appointed a director of Goldale.

5. No director or senior officer of Aetna or their associates has any interest in any material contract to which Aetna or Goldale is a party.

6. The following are the material changes, known to the directors and senior officers of Aetna, in the financial position or prospects of Aetna since January 31, 1969, the date of the last published interim and pro forma financial statements of Aetna:

- (i) The Option Agreement entered into by Aetna with Bralorne Pioneer Mines Ltd. in respect of the sale by Aetna to Bralorne Pioneer Mines Ltd. of Aetna's inventory, buildings and equipment therein described for \$190,000, which would have heretofore expired, has been extended for a further three month period in consideration of the payment to Aetna of \$1,000 per month for such extension, with all other terms and conditions remaining unchanged;
- (ii) On or about April 15, 1969, Aetna assigned to Edward C. Dobell a collateral debenture securing moneys owing to Aetna by Cerna Copper Mines Limited (No Personal Liability), formerly Cowichan Copper Co. Ltd. (No Personal Liability), for a cash consideration of \$100,000;
- (iii) The purchase by Aetna of all the issued and outstanding shares of Millmink Developments Limited (reflected in the aforementioned pro forma financial statements) was completed on May 1, 1969, in accordance with the terms of the Agreement of Purchase and Sale; Aetna arranged a bank loan from The Toronto-Dominion Bank in the amount of \$1,400,000 to facilitate the purchase of said shares and as security for such loan has assigned 150,536 shares of Commonwealth Savings & Loan Corporation to said Bank;
- (iv) The purchase by Aetna of 22.3 acres of land in the Town of Mississauga, County of Peel, Province of Ontario, from Dalewood Investments Limited is reflected in the said pro forma financial statements.

The directors and senior officers of Aetna do not have any information that indicates any other material change in the financial position or prospects of Aetna since January 31, 1969.

7. To the best of our knowledge there are no other material facts not disclosed above.

The contents of this Directors' Circular have been approved and delivery thereof authorized by the Directors of Aetna.

**COMMON SHARES
WITH A PAR VALUE OF 50 CENTS EACH OF
AETNA INVESTMENT CORPORATION LIMITED**

TO: Canada Permanent Trust Company,
1901 Yonge Street, Toronto 295, Canada,
(the Exchange Agent).

The undersigned hereby warrants that the undersigned has full authority to sell and transfer the tendered Common Shares and that on its purchase thereof Goldale will acquire good title thereto, free and clear of all liens, charges, encumbrances and adverse claims.

You are to deliver the certificates representing the Common Shares being purchased, together with all accompanying evidences of authority, to or to the order of Goldale against receipt by you as agent for the undersigned of the consideration therefor. Delivery by you of such Common Shares to or to the order of Goldale shall be conclusive as to the performance of all conditions necessary to make this Letter of Transmittal effective, but payment therefor shall be made only upon delivery of, or deduction for, all dividends or other distributions sold, assigned and transferred hereby.

If no Common Shares are purchased by Goldale under the Offer, certificates representing the Common Shares tendered by the undersigned shall be returned to the undersigned by you.

In consideration of your accepting delivery of certificates for other Common Shares on like terms, the undersigned hereby agrees that the undersigned has no right to withdraw the aforesaid certificates delivered herewith after June 9, 1969.

Please mail to the undersigned a certificate in the name of the undersigned for the shares of Goldale and a cheque payable to the undersigned for any cash to which the undersigned is entitled, at the address shown below.

The undersigned understands and agrees that you shall not be liable hereunder for any act or omission of Goldale.

Please
Sign here

Signature of registered holder.

(Must be signed by registered holder exactly as name appears in certificate or by any person authorized to become registered holder by certificates and documents transmitted.)

Please Print Address
Number and Street

PLEASE READ CAREFULLY THE INSTRUCTIONS ON THE BACK HEREOF

INSTRUCTIONS

For completing the transfer of your Common Shares and the Letter of Transmittal

1. Each certificate for Common Shares must be duly endorsed in blank for transfer or accompanied by an appropriate stock transfer power duly executed in blank, with signature guaranteed by a Canadian chartered bank or trust company or by a firm having membership on the Toronto, Montreal or Vancouver Stock Exchanges or in The Investment Dealers' Association of Canada, or in some other manner satisfactory to Canada Permanent Trust Company. The signature must be identical with the name on the face of the certificate.
2. If a share certificate and/or stock transfer power and/or this Letter of Transmittal is executed by an officer on behalf of a corporation, or by an executor, administrator, trustee, guardian, attorney, agent or other person acting in a fiduciary or representative capacity, proper documentary evidence must be furnished of the authority of the person signing. Questions regarding such evidence of authority may be referred to any office of Canada Permanent Trust Company.
3. If a share certificate and/or stock transfer power and/or this Letter of Transmittal is executed by a married woman, she must, if her husband's authorization is required, be authorized by her husband by means of his setting forth under the guarantee of her signature the words "to authorize my wife" and adding his signature which must be guaranteed in the manner described in 1 above.
4. Goldale will pay all security transfer taxes payable to any Province of Canada upon the transfer to or to the order of Goldale of tendered Common Shares. If, however, any additional security transfer taxes are payable by reason of the Offer being accepted by a person, firm or corporation other than the registered holder of the Common Shares, the amount of such additional taxes are payable by such person, firm or corporation.
5. Holders of record on May 9, 1969, will retain the 2 cent per share dividend payable on the Common Shares on May 30, 1969.
6. The method of delivery of the share certificates, the Letter of Transmittal and other documents, if any, is at the option and risk of the holder, but delivery will only be effective on actual receipt by Canada Permanent Trust Company at its address mentioned on the face hereof.
7. Payment of the consideration for Common Shares tendered will be made only upon receipt by Canada Permanent Trust Company of, or after deduction for, all dividends or other distributions sold, assigned and transferred by the Letter of Transmittal, subject to 5 above.
8. Holders who wish to forward their certificates and the Letter of Transmittal by mail are advised to use registered and/or insured post for their own protection.
9. For your convenience there is enclosed an envelope which may be used in forwarding the share certificates, Letter of Transmittal and other documents, if any.

Investment Dealer or Broker, if any, through whom delivery of Common Shares effected.

Name

Address

CANADIAN GOLDALE CORPORATION LIMITED
and its Subsidiaries

AR28

**CONSOLIDATED STATEMENT OF SOURCE
AND APPLICATION OF FUNDS**
for the 6 months ended June 30, 1970

Report

SOURCE OF CASH

1970

Current Operations

Net income for the period	\$ 392,248
Depreciation	89,504
Other charges not requiring cash outlay ...	6,791
	<u>\$ 488,543</u>

Issue of 8% unsecured convertible redeemable debentures	400,000
Decrease in mortgages receivable and balances due under agreements of sale	104,000
	<u>\$ 992,543</u>

USE OF CASH

Investments in joint realty developments	980,051
Additions to income producing properties	830,502
Construction in progress	924,260
Additions to other fixed assets	134,334
Cost of additional shares of non-consolidated subsidiaries and affiliated company	1,255,678
Repayment of mortgage principal	353,353
Repayment of notes and loans of subsidiaries	600,000
Deferred profit on land sale	421,523
Net change in other assets	384,996
	<u>\$5,884,795</u>

Increase (decrease) in cash \$(4,891,842)

**FOR THE 6 MONTHS ENDED
JUNE 30, 1970**

CANADIAN GOLDALE CORPORATION LIMITED

August 26, 1970

To the Shareholders:

Your directors submit herewith the consolidated statement of income along with the source and application of funds covering the six month period ending June 30th, 1970.

Following the Annual Meeting held in June, Kenneth A. Roberts was elected Chairman of the Board, Mark M. Tanz was elected Vice-Chairman of the Board and C. F. Watson was elected President. Mr. A. H. Honsberger was elected Vice President, Mr. P. C. Finlay was elected secretary-treasurer.

A name change was made in one of our associated companies in which we have approximately 39% share interest – the name of Commonwealth Savings and Loan Corporation was changed to Central Ontario Savings and Loan Corporation. This ties in with our ownership of Central Ontario Trust and Savings Corporation Limited. These companies, along with Northland Trust Company, have had an excellent growth pattern during the six months period ending June 30, 1970.

Construction has continued on a favourable basis on the large extension to our regional shopping centre at Kipling Avenue and Albion Road in Etobicoke. Merchandising of this centre will be tied in with the name Shoppers' World and the highly successful Shoppers' World centres that are owned and operated by Peel-Elder Limited. The new ultra modern Loblaw super market of 30,000 square feet opened on August 18th and many of the new stores will be opened in August and September. The construction has been financed out of working capital without the use of long term debt.

Sales have been slow in our town house condominiums during the summer months, a situation that has been general throughout the industry. We expect sales to pick up, as is customary, in the fall.

Construction is progressing at a rapid pace by Graydon Hall Estates Limited on the large Forest Hills project. The sales office has also been opened in a modern pavillion with furnished model suites. In addition to being a land vendor in this project, your company, through a subsidiary, participates in the profits earned.

Peel-Elder Limited, in which your company owns approximately 20% of the issued shares, had a net profit of \$524,831.00 for the six months ending June 30, 1970.

Yours truly,

KENNETH A. ROBERTS
Chairman of the Board

CANADIAN GOLDALE CORPORATION LIMITED
and its Subsidiaries
CONSOLIDATED STATEMENT OF INCOME
for the 6 months ended June 30, 1970

GROSS REVENUE	1970	1969 (Re-stated)
Rentals	\$1,053,302	\$ 803,981
Investment income	339,687	214,215
Land sales	526,762	
Franchise and restaurant sales	283,665	54,460
Earned service charges	2,437	7,746
	<u>\$2,205,853</u>	<u>\$1,080,402</u>
NET OPERATING INCOME		
Net rental income before depreciation	\$ 134,510	\$ 165,143
Investment income	339,687	214,215
Profit land sales	435,301	
Profit on house sales	58,400	
Franchise and restaurant income	24,412	7,200
Equity in income of subsidiary company is not consolidated	41,083	
Equity in income of affiliated companies		
Central Ontario Savings and Loan Corporation	33,932	
Northland Trust Company ...	38,000	
Peel-Elder Limited	104,966	110,910
	<u>1,210,291</u>	<u>497,468</u>
Less:		
Administrative and general expenses	328,954	117,825
Interest expense	220,190	27,762
Depreciation	89,504	66,200
Minority interest in income of subsidiaries	6,791	5,406
	<u>645,439</u>	<u>217,193</u>
PROFIT FROM OPERATIONS ...	<u>564,852</u>	<u>280,275</u>
Profit on sale of investments	396	
Profit on disposal of mine assets .		136,937
Provision for losses on discontinuance of financial business		(59,058)
Re-organization expense		(7,500)
Income before income taxes	565,248	350,654
Income taxes	173,000	95,000
NET INCOME FOR THE PERIOD ..	<u>\$ 392,248</u>	<u>\$ 255,654</u>
Profit per share from operations .	20¢	12¢
Net income per common share ..	14¢	11¢

*Based on an average of 2,858,000 shares outstanding during 1970 and an average of 2,247,000 shares outstanding during 1969.

CANADIAN GOLDALE CORPORATION LIMITED
and Subsidiaries

**CONSOLIDATED STATEMENT OF SOURCE
AND USE OF FUNDS**

for the six months ended June 30th, 1972

AR28

	1972	1971 (Re-stated)
SOURCE OF FUNDS		
Current Operations		
Net income for the period ..	\$ 166,179	\$ 151,757
Non-cash charges		
Depreciation	95,333	93,640
Provision for deferred income taxes	29,000	100,000
Other	—	(49,918)
	<u>290,512</u>	<u>295,479</u>
Increase in bank indebtedness	1,177,417	515,347
Profit deferred on land sales ..	408,058	—
	<u>\$1,875,987</u>	<u>\$ 810,826</u>

USE OF FUNDS

Additions to income producing property	\$ 31,396	\$ 109,818
Increase of land held for development	255,000	—
Investment in joint realty developments	114,990	(275,975)
Increase in accounts and mortgages receivable	331,335	(1,287,179)
Repayment of notes	250,000	200,000
Investment in non-consolidated subsidiary and affiliated companies	358,504	74,194
Decrease in accounts payable	53,365	1,632,596
Repayment of mortgage principal	352,659	289,502
Net change in other assets and liabilities	128,738	67,870
	<u>\$1,875,987</u>	<u>\$ 810,826</u>

INTERIM REPORT

SIX MONTHS ENDED
JUNE 30, 1972



CANADIAN
GOLDALE
CORPORATION LIMITED

K. A. Roberts

2400 THE BANK OF NOVA SCOTIA BUILDING
44 KING ST. WEST, TORONTO 105, CANADA

CANADIAN GOLDALE CORPORATION LIMITED

August 30, 1972

To the Shareholders:

Your directors submit herewith the unaudited consolidated statement of income along with the source and use of funds for the six months ending June 30, 1972.

During the month of July, Aetna-Goldale Investments Limited, a 93% subsidiary entered into an agreement to sell all the common shares of its wholly owned subsidiary, Millmink Developments Limited, at a price equal to original cost, namely \$8,100,000, and in addition will receive a dividend of \$1,400,000. This sale was subsequently approved at shareholders' meetings of both Aetna-Goldale and your Company held on August 23.

Your Company continues to own a 41% interest in Ontario Trust Company, whose assets totalled \$116 million at June 30, 1972 versus \$103 million at the end of 1971. Earnings for the first six months were \$275,858 versus \$138,561 in the corresponding period of 1971. Earnings for the second half of 1972 should continue on the same level as for the first half year.

Peel-Elder Limited, in which your Company holds a 15% interest, reported a net profit of \$529,986 and cash flow of \$1,004,981 for the six months ended June 30, 1972 as compared with \$517,618 and \$980,894 for the corresponding period in 1971.

One of the most important single events in your Company's corporate history took place during the past weeks, namely, the final government approval and registration of a plan of land subdivision of Neighbourhood #1 of Peel Village Highlands Preston. This is a long awaited new community in one of the fastest growing areas on the Continent. The effects and success of this project will and should materially affect the future growth of Canadian Goldale. This project is a 50/50 venture with Peel Village Developments Co. Limited, a wholly owned subsidiary of Peel-Elder Limited.

CHARLES F. WATSON
President

**CANADIAN GOLDALE CORPORATION LIMITED
and Subsidiaries****CONSOLIDATED STATEMENT OF INCOME
for the six months ended June 30th, 1972
(unaudited)**

	1972	1971 (Re-stated)
GROSS REVENUE		
Rental income	\$1,498,652	\$1,442,096
Investment income	194,628	244,194
Land sales	221,000	227,177
Townhouse sales	575,000	1,068,750
Equity in income of unconsolidated subsidiary and affiliated companies	194,983	214,337
	<u>\$2,664,263</u>	<u>\$3,196,554</u>
NET OPERATING INCOME		
Net rental income before depreciation	\$ 279,505	\$ 314,345
Investment income	194,628	244,194
Profit on land sales	123,030	123,745
Profit on townhouse sales	49,332	125,900
Equity in income of unconsolidated subsidiary and affiliated companies	194,983	214,337
	<u>841,478</u>	<u>1,022,521</u>
Deduct:		
Administrative and general expense	183,075	186,497
Interest expense	367,511	275,314
Depreciation	95,333	93,640
Minority interest in income of subsidiaries	380	4,959
	<u>646,299</u>	<u>560,410</u>
Write off on termination of agreement with developer of Forest Hills project		186,854
	<u>646,299</u>	<u>747,264</u>
Income before income taxes and extraordinary items	195,179	275,257
Income taxes		
Current	—	73,000
Deferred	29,000	100,000
	<u>29,000</u>	<u>173,000</u>
Income before extraordinary items	166,179	102,257
Extraordinary items		
Provision for losses on discon- tinuance of finance business	—	(21,000)
Income tax reduction realized on carry forward of losses from prior years	—	60,500
	<u>—</u>	<u>39,500</u>
NET INCOME FOR THE PERIOD	<u>\$ 166,179</u>	<u>\$ 141,757</u>
Cash flow per share	\$.10	\$.10
Net income per share06	.05

BRANCH LOCATIONS OF FINANCIAL AFFILIATES

CENTRAL ONTARIO SAVINGS & LOAN CORPORATION

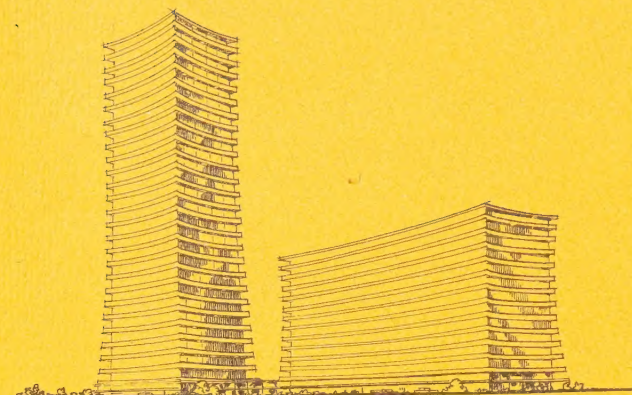
150 Sparks Street Ottawa (613) 236-7121	6 Second Street East Cornwall (613) 933-1433
94 Princess Street Kingston (613) 542-2837	600 Ouellette Avenue Windsor (519) 252-7268
Shoppers' World Plaza Brampton (416) 454-1353	2913 Lakeshore Blvd. West Toronto (416) 259-2351
558 Bloor Street West Toronto (416) 534-9211	1064 Eglinton Avenue West Toronto (416) 789-2933
1468 Queen Street West Toronto (416) 531-9908	

NORTHLAND TRUST COMPANY

13 Cain Avenue Kapuskasing (705) 335-2351	51 Government Road West Kirkland Lake (705) 567-5277
414 Fraser Street North Bay (705) 474-0470	124 Cedar Street Sudbury (705) 675-1351
194 Third Avenue Timmins (705) 264-9541	

CENTRAL ONTARIO TRUST & SAVINGS CORPORATION

19 Simcoe Street North
Oshawa
(416) 723-5221



A stunning innovation in gracious indoor-outdoor living is featured in the unique oversized terraces. Up to 800 square feet of outdoor living space is available in some three bedroom corner apartments.

The graceful building lines combine the classic simplicity of Graeco-Roman aesthetics with the eye pleasing symmetry of the oriental pagoda. Lobbies feature the subdued luxury of timeless marble. These and other features create and preserve long lasting growth in property investment values.

FOREST HILLS

BY THE CANADIAN GOLDALE/PEEL-ELDER
GROUP OF COMPANIES

INTERIM REPORT

SIX MONTHS ENDED
JUNE 30, 1971



CANADIAN
GOLDALE
CORPORATION LIMITED

2400 THE BANK OF NOVA SCOTIA BUILDING
44 KING ST. WEST, TORONTO 105, CANADA

CANADIAN GOLDALE CORPORATION LIMITED

August 31, 1971

To the Shareholders:

Your directors submit herewith the unaudited consolidated statement of income along with the source and use of funds for the six months ending June 30, 1971.

A major impetus to our growth during this period was provided by the substantial increases in Rental income which advanced 37%. The coming on stream of the major expansion at Shoppers' World Albion in the second half of 1970 played a dominant role in this growth. Additional progress from this source is anticipated in the second half of 1971. Further excellent gains were made in the Flemington Park Apartments Division which continues to experience a low vacancy rate that is significantly below the current Metro Toronto average.

Condominium townhouse sales continue at a reasonably satisfactory rate. Sales included the final seven units to finish out Cloisters Albion, seventy two units at Cloisters Malton, and nine units at Cloisters Burlington. The current quickening of economic activity and consumer spending should provide a continuing favorable environment for this Division. Condominium apartment sales at Forest Hills, currently experiencing some acceleration, should also benefit.

Our financial interests continue to grow at a rapid rate. The combined assets of Northland Trust Company, Central Ontario Savings & Loan Corporation, and Central Ontario Trust & Savings Corporation totalled \$93 million at 30 June 1971 versus \$81 million at the end of 1970. Combined earnings were \$239,730 for the first six months versus \$200,290 in the corresponding period of 1970. Significant earnings gains in 1972 are anticipated as the funds generated by the sharp increase in deposits over the last 12 months are deployed into net income producing assets on a full year basis.

Peel-Elder Limited, a major affiliate in which we hold a substantial minority interest, reported net profit of \$517,618 and cash flow of \$980,894 for the six months ending 30 June 1971 as compared with \$524,831 and \$809,976 for the like period in 1970.

CHARLES F. WATSON
President

CANADIAN GOLDALE CORPORATION LIMITED and Subsidiaries

CONSOLIDATED STATEMENT OF INCOME for the six months ended June 30 (prepared without audit)

	1971	1970 (Re-stated)*
GROSS REVENUE		
Rental income	\$1,442,096	\$1,053,302
Investment income	234,950	339,687
Land sales	458,000	545,025
Townhouse sales	1,068,750	450,000
Franchise and restaurant sales	359,835	320,482
Earned service charges	261	2,418
Equity in net income of subsidiary not consolidated	21,038	41,083
Equity in net income of affiliated companies	193,299	176,898
	<u>\$3,778,229</u>	<u>\$2,928,895</u>

NET OPERATING INCOME

Net rental income before depreciation	\$ 324,345	\$ 134,510
Investment income	234,950	339,687
Profit on land sales	342,500	416,693
Profit on townhouse sales	125,900	58,400
Franchise and restaurant income	35,557	24,412
Equity in net income of subsidiary not consolidated	21,038	41,083
Equity in net income of affiliated companies	193,299	176,898
	<u>1,277,589</u>	<u>1,191,683</u>

Less:

Administrative and general expense	256,476	328,954
Interest expense	217,782	220,190
Depreciation	107,351	89,504
Minority interest in income of subsidiaries	22,810	6,791
	<u>604,419</u>	<u>645,439</u>
	673,170	546,244

INCOME FROM OPERATIONS

Income taxes		
Current	134,000	126,000
Deferred	90,000	72,000
Income before extraordinary items	449,170	348,244
Profit on sale of investments	9,244	396
Provision for losses on discontinuance of finance business		(14,096)
	<u>\$ 458,414</u>	<u>\$ 334,544</u>

NET INCOME FOR THE PERIOD

Profit per share from operations	\$.24	\$.19
Cash flow per common share23	.17
Net income per common share16	.12
Number of common shares outstanding	2,858,124	2,858,124

*In accordance with Note 15(a) to the December 31, 1970 Annual Financial Statements, the \$416,693 Profit on Land Sales indicated above has been restated from the \$435,301 previously reported.

CANADIAN GOLDALE CORPORATION LIMITED and Subsidiaries

CONSOLIDATED STATEMENT OF SOURCE AND USE OF FUNDS for the six months ended June 30

SOURCE	1971	1970
Current Operations:		
Net income for the period	\$ 458,414	\$ 334,544
Non-cash charges		
Depreciation	107,351	89,504
Provisions for deferred income taxes	90,000	72,000
	<u>655,765</u>	<u>496,040</u>
Issue of 8% unsecured convertible redeemable debentures		400,000
Decrease in mortgages receivable and balances due under agreements of sale	122,566	104,000
Decrease in cash	515,347	4,891,890
	<u>\$1,293,678</u>	<u>\$5,891,890</u>

USE

Repayment of mortgage principal	\$ 289,502	\$ 353,353
Repayment of notes and loans of subsidiaries	200,000	600,000
Cost of additional shares of non-consolidated subsidiary and affiliated companies	74,194	1,255,678
Additions to income producing properties	16,178	830,502
Investments in joint realty developments	—	980,000
Construction in progress	—	924,260
Additions to other fixed assets	—	134,334
Net change in other assets and liabilities	713,804	813,712
	<u>\$1,293,678</u>	<u>\$5,891,890</u>